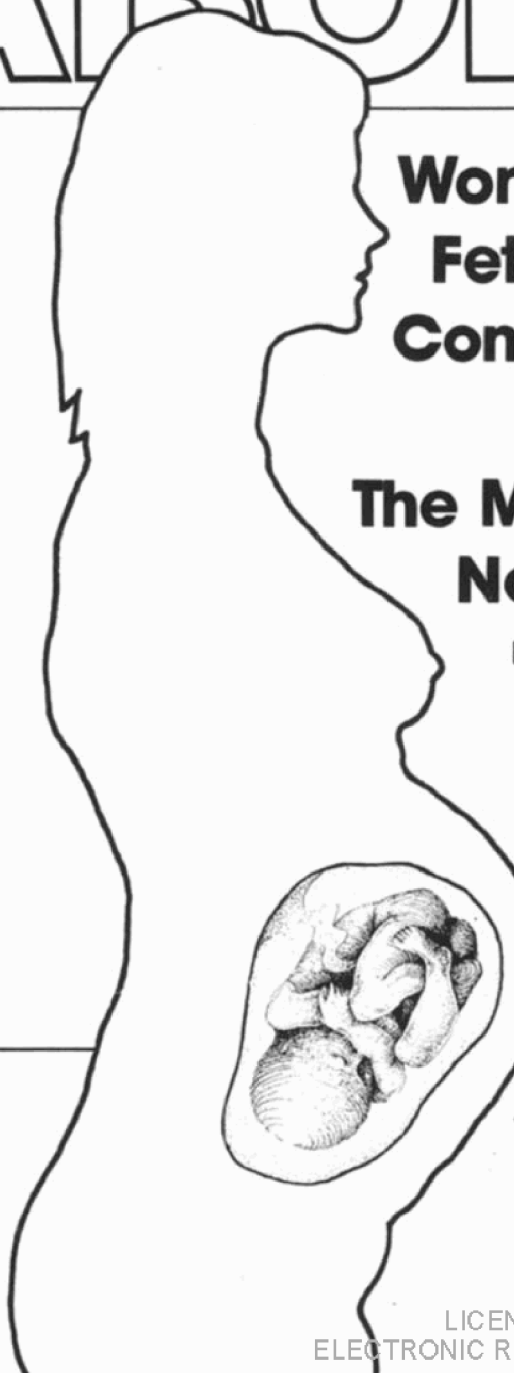
reason
APRIL 1978 $1.50

ALSO: The German Non-Miracle
Sports Consumerism
and Foreign Policy Dilemmas

ABORTION



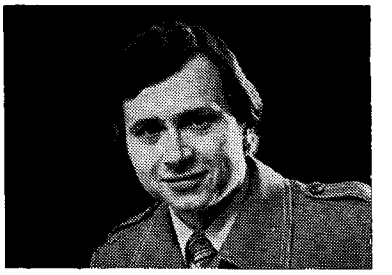
Woman and Fetus: Rights In Conflict?
BY WALTER BLOCK

The Morality of Noninterference
BY TIBOR R. MACHAN

A Matter of Life and Death
BY KARL T. PFLOCK

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE FASTEST GROWING CHURCH IN THE WORLD BY Brother Keith E. L'Hommedieu D.D.



It's quite safe to say that of all the organized religious sects on the current scene, one church in particular stands above all in its unique approach to religion. The Universal Life Church is the only organized church in the world with no traditional religious doctrine. In the words of Kirby J. Hensley, founder, "The ULC only believes in what is right, and that all people have the right to determine what beliefs are right for them, as long as they do not interfere with the rights of others."

Reverend Hensley is the leader of the worldwide Universal Life Church with a membership now exceeding 6.5 million ordained ministers of all religious beliefs. Reverend Hensley started the church in his garage by ordaining ministers for $1.00 by mail. During the 1960's, he traveled all across the country appearing at college rallies held in his honor where he would perform mass ordinations of thousands of people at a time. These new ministers were then exempt from being inducted into the armed forces during the undeclared Vietnam war.

In 1966 Reverend Hensley was fighting the establishment on another front. The I.R.S. tried to claim the ULC wasn't a legal church and proceeded to impound the ten thousand dollars in the church bank account. The feisty Hensley filed suit against the I.R.S. in federal district court for return of the funds and to permanently establish the ULC as a legal tax exempt entity. On March 1, 1974 Judge James F. Battin ruled against the I.R.S. in his decision which stated, "Neither this court or any branch of this government will consider the merits or fallacies of a religion. Nor will the court praise or condemn a religion. Were the court to do so, it would impinge upon the guarantees of the First Amendment." The judge then ordered the I.R.S. to return the impounded money and to grant the Universal Life Church its tax exempt status.

Reverend Hensley has stated that he believes a church is people and not just a fancy building. He also believes in total freedom and equality for all people. The ULC will ordain anyone without regard to religious beliefs, race, nationality, sex or age.

The ULC's success formula is both effective and unquestionably legal. After a person has become an ordained minister, he or she can join with two other people and form their own Universal Life Church. These three people then make up the board of directors consisting of a Pastor, a Secretary and a Treasurer. The ULC will then grant the group the use of its legal church charter complete with both federal and state tax exempt numbers. The newly formed church may then open a bank account in the church's name. Any member of the church can legally donate up to 50% of his or her outside income to the church and take a corresponding tax deduction. The church in turn can pay the complete housing cost of its minister including rent or mortgage payment, insurance, taxes, furnishings and repairs. The church can also provide the minister with full use of an automobile as well as pay for travel and educational expenses. None of these expenses are reported as income to the I.R.S. Recently a whole town in Hardenburg, New York became Universal Life ministers and turned their homes into religious retreats and monasteries thereby relieving themselves of property taxes, at least until the state tries to figure out what to do.

Churches enjoy certain other tax benefits over the common man on the street. For instance, a church can legally buy and sell real estate or stocks and bonds completely tax free. It can receive tax free income from bank deposits or mortgages. Many churches own large publishing, recording, or other related businesses like hospitals, clinics and schools without paying any income tax.

A church can sponsor any kind of fund raising event such as a concert, play or even bingo. Churches are also exempt from paying inheritance taxes. When the pastor of the church dies, the board of directors simply appoints a new pastor and the church goes on.

Reverend Hensley has stated that he personally doesn't believe in the tax exempt status of churches. However, if the government is going to give a free ride to Billy Graham and the Pope, then why not let everybody participate in these blessings. Furthermore, he backs his words up by offering to defend in court any of his churches against an attack by a government agency.

Since the church was founded in 1962, it has attracted members who are movie and TV personalities, businessmen, government officials, lawyers, and doctors as well as all types of regular working people. During the last 15 years the Universal Life Church has blossomed into a full blown grass roots populace movement. Reverend Hensley claims to be ordaining a thousand new ministers a week and predicts that the church will have over 20,000,000 members by the early 1980's. In addition, requests for interviews and TV appearances continue to pour in.

Anyone who is a member of the ULC will tell you that the ULC is destined to change the world. By unifying mankind into a brotherhood of freedom orientated individuals, each respecting the other's right to live life as they see fit, the Universal Life Church hopes to put an end to all wars. Reverend Hensley admits that this is a pretty monumental task to accomplish, but he also points out that he is already well on the way to reaching his goal. Reverend Hensley invites anyone wishing to become a ULC minister to send a $5.00 tax deductible donation for the cause, to the Universal Life Church Monastery, P.O. Box 669 (R), Aptos, CA., 95003.

(Editor's Note:
Brother L'Hommedieu is Chairman of the Board of Trustees of the Sacerdotal Order of the Universal Life and serves on the Board of Directors of the International Universal Life Church, Inc.)

reason

A forum for analysis and commentary, with an emphasis on individual liberty. APRIL 1978/VOL. 9, No. 12

FEATURES

THE ABORTION DEBATE: PERSON, POTENTIAL, OR PARASITE?

WOMAN & FETUS: RIGHTS IN CONFLICT?
Is the abortionist hero or villain? A violator or a protector of rights? It all depends on who really has what rights.
By Walter Block **18**

A MATTER OF LIFE AND DEATH
Abortion is killing, no matter how described. And can that really be squared with libertarian principles?
By Karl T. Pflock **20**

THE MORALITY OF NONINTERFERENCE
Those who urge that the State stay out of abortion decisions have a powerful moral *case to support their views.*
By Tibor R. Machan **22**

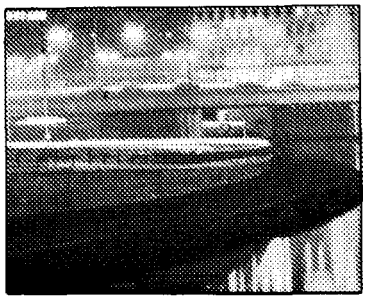
F.A.N.S.—FURTHER ADVENTURES OF NADER'S SOPHISTS
Just what all you sports fans needed: Ralph Nader's "protection." Don't say you weren't warned!
By Peter Fasolino **27**

INTERVIEW WITH EARL C. RAVENAL
The Libertarian Party's favorite foreign policy advisor says some provocative things about international power politics.
By Manuel S. Klausner, Tibor R. Machan, and Robert Poole, Jr. **28**

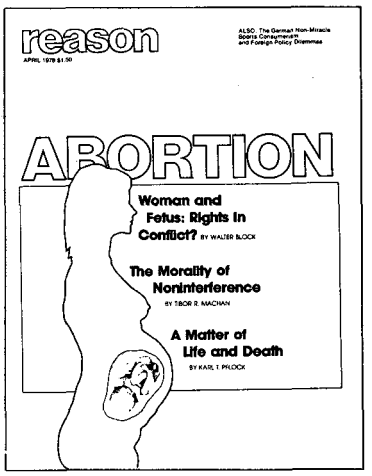
THE GERMAN NON-MIRACLE
Germany's amazing recovery after World War II was no fluke–and it thoroughly refutes all that Lord Keynes advocated.
By Thomas W. Hazlett **33**

The abortion dilemma 18

What price defense 28



Unplanned miracle 33



DEPARTMENTS

EDITORIAL/The Coming Social Security Crisis **6**

VIEWPOINT/Energy Conservation: How Much Is Too Much? **38**

FOREIGN CORRESPONDENT/Mideast Doldrums **39**

SPOTLIGHT/Taking on Leviathan **40**

MONEY/The Strong Get Stronger **42**

LETTERS **4**
BRICKBATS **13**
TRENDS **14**
WASHINGTON WATCH **41**
MOVIES **43**
BOOKS **44**
FRONTLINES **47**
RUDEBARBS **48**
CLASSIFIEDS **50**

REASON is published monthly by Reason Enterprises, 805 A West Figueroa, Santa Barbara, CA 93101. Tel. (805) 962-1079. Second class postage paid at Santa Barbara, CA and at additional mailing offices. Postmaster: Please send Form 3579 to REASON, Box 40105, Santa Barbara, CA 93103. Copyright © 1978 by Reason Enterprises. All rights reserved. Opinions expressed in signed articles or columns do not necessarily represent the view of the editors.

CORRESPONDENCE: Address comments, manuscripts (for return, please include a self-addressed, stamped envelope), classified ad orders (with full payment) and subscription orders to REASON, Box 40105, Santa Barbara, CA 93103. Two copies of manuscript required. Author information sheet available on request. Address mail concerning display advertising to Media Selection Corp., Box 296, Goleta, CA 93017.

CHANGES OF ADDRESS: Please allow six weeks for change of address. Send address label and new address to Circulation Dept., REASON, Box 40105, Santa Barbara, CA 93103. Requests for missing issues due to late notice of change of address, or older than two months from current date, will not be honored unless accompanied by payment.

ISSN 0048-6906

reason

EDITORS
Manuel S. Klausner
Robert Poole, Jr.

SENIOR EDITOR
Tibor R. Machan

BOOK REVIEW EDITOR
Marty Zupan

CONTRIBUTING EDITORS
David Brudnoy
James Dale Davidson
Edith Efron
Mark Frazier
John Hospers
Eric Mack
Henry G. Manne
Karl T. Pflock
Alan Reynolds
Murray N. Rothbard
Thomas Szasz

FOREIGN CORRESPONDENTS
Prakash Aswani/Middle East
Anne Brincker/Denmark
Victor Filmer/New Zealand
Ole-Jacob Hoff/Norway
Bob Howard/Australia
A. Michael Keerma/Canada
Riccardo La Conca/Italy
Guy de Maertelaere/Belgium
H. Joachim Maitre/West Germany
N. G. Molinelli/Argentina
Michael van Notten/The Netherlands
Hugo Salinas-Price/Mexico
Pauline Russell/England
Marc Swanepoel/South Africa

DEPARTMENTS
Bill Birmingham/Brickbats
Alan Bock/Washington Watch
Joe Cobb/Frontlines
James Dale Davidson/Experience
John Hospers/Movies
Randall K. Hylkema/Rudebarbs
Mark Tier/Money
Manuel S. Klausner/Publisher's Notes
Robert Poole, Jr./Trends

ART DIRECTOR
Don Wood

ADVERTISING: REASON is represented for display advertising by Media Selection Corp., Box 296, Goleta, CA 93017. Tel. (805) 964-3561, Jim Lance, president. Obtain rate card before sending copy. Send classified ad orders with full payment, to Reason Classifieds, Box 40105, Santa Barbara, CA 93103.

SUBSCRIPTION RATES: Single copies, $1.50. Special Issues, $2.50. REASON publishes two Special Issues annually, which are sent to subscribers at no extra cost. Subscriptions: one year (12 issues) in the United States, $15.00; 2 years, $24.00; 3 years, $32.00. Other countries: add $1.50 extra per year.
BACK ISSUES: Write for back issue list for current prices. Volumes 1-4 are available on microfilm from University of Southern California Library Micrographics Dept., University Park, Los Angeles, CA 90007. Volumes 5 and up are available from Xerox University Microfilms, 300 North Zeeb Road, Ann Arbor, MI 48106. Indexed in *Historical Abstracts* and *America: History and Life.*

letters

Panama and Force

It seems to me all the writers of your "Great Canal Debate" [January] missed the main point. If libertarianism means anything, it means the renunciation of force, except in self-defense.

No reasonable person would deny we took the Canal Zone by force (or at least, the threat of force). We can maintain it only by increasing use of force; unless the natives are given their proper share in its operation. Growing violence, damage and expense are what we can expect if we do not renounce our authoritarian and meddlesome view. The arguments of those who claim it will be used to attack us are ridiculous. President Kennedy proved that in the case of Cuba.

Liberty is growing in the world. You can't stop it by hypothetical arguments.

John E. Erb
Northville, NY

The editor replies: If libertarianism means anything, Mr. Erb, it means that only individuals can be held accountable for actions, not collectives. "We" did not take (or buy) anything in Panama—or at least *I* didn't. And it's not at all clear what you mean by giving the natives "their proper share," if Mr. Ernsberger is correct in stating 99 percent of the land was *unowned* at the time the Canal was built.—**R.P.**

Canal Ownership

I found Don Ernsberger's article on the Panama Canal [January] quite edifying.

Ernsberger believes that the moral owners of the Canal are American taxpayers, and of course he is right. He therefore concludes that because of this, "defense of absolute American control over the canal is a necessity." Now, I did not know that US government control of property was the best way to ensure taxpayer ownership. I always thought the last thing taxpayers really *owned* was government property. However, Ernsberger's patriotic fervor was infectious; I am now convinced that "the interests of the true owners would best be served by control remaining in the hands of the US government.

So stimulating was this new-found faith in "America" that I immediately sought to extend the principle. The United States, I thought, has spent billions of dollars of taxpayers' money defending and revitalizing European governments. While some Rothbardian cranks may suggest ending our involvement there, don't our taxpayers have a property right in Europe? After all, these taxpayers "shouldered the costs" of the Marshall Plan and World War II in exactly the same way they paid for the Canal. Obviously, to borrow Ernsberger's ringing phrase, "absolute American control over Europe is a necessity."

But let's not stop there. Just think of all the puppet governments in Asia, South America, and Africa that simply would not exist without tax money from the United States! Think of all the roads they built, the dams they constructed—all with our money. Surely, the "interests of the true owners" of that money would best be served by US political and military control of foreign governments! Today Panama, tomorrow the world! We will never get our money's worth if we turn control over to local dictators.

And, if military defense of the Canal—or the rest of the world—against the unjust demands of its inhabitants costs five times our initial coerced investment there, so what? Defense of individual rights is at stake.

Ernsberger's article is a caricature of libertarian theory. With "property rights" theorists like this, who needs socialists?

Milton Mueller
Chicago, IL

Panama Bail-Out

In "Panama: The Great Canal Debate" [January], writers Don Ernsberger, William Marina, Craig Roberts, and Hans F. Sennholz all ignore the most compelling reason of all for nonratification of the proposed canal treaties, i.e., the economics and consequence thereof on us the taxpayers of the United States.

The treaties call for an annual increase of from two or three million dollars to something over seventy million plus an outright gift of property, supplies, and in-place improvements worth billions. This will not benefit the Panamanian people. Even those who are presently employees of the Canal Company would likely suffer wage reductions. Dictator Omar Torrijos will use this money to pay

(*Continued on p.8.*)

Is all we have to fear...Fear itself? —Not on your life!

This is It! CYCLES OF WAR, THE NEXT SIX YEARS, is the one book **you** literally **bet your life** you must read — **NOW!** It is **not** a "maybe when I have time" matter. Beginning with 1978, the countdown started. Each precious day lost is a day you cannot afford to lose. CYCLES OF WAR is your "red alert" for the next six years.

This is not another slick advertising piece. The author did not write CYCLES OF WAR to make a fast buck. It was written in an attempt to warn the author's unconcerned family and friends. **The same caution applies to YOU!**

CYCLES OF WAR is a labor of concern, a prophetic cry that the War Ark has set sail and no one can stop it! You can only get out of its way. CYCLES OF WAR enables you to understand and avoid "harm's way." It cuts through the comfortable blanket of filtered information fed the public and reveals numerous reliable **cycles** that **predict war** in **your near-term future.** You will be held captive by the international and civil war predicting accuracy of the following cycles:

* American literature cycles
* Inflationary cycles
* Planetary cycles
* Climatic cycles
* Business cycles
* Economic cycles
* Market cycles
* Civilization cycles

Each of these separate **cyclical studies holds** an **important** and **ominous message for YOU** and your treacherous future.

Tied into these **cycles** for your complete understanding of the near-term threat of war **are discussions on:**

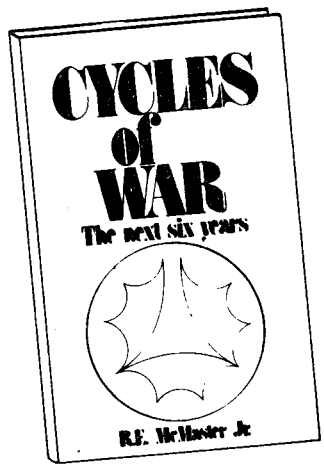
* The resource dilemma.
* Upcoming civil unrest in the cities.
* How the U.S. military encourages war.
* What equality between the sexes means from a historical perspective.
* What prophets, astrologers, and other "sensitives" see in your future.
* How and why American multinational corporations promote war.
* What the war chart predictions of the "Master War Forecaster" reveal.
* Why the danger of world war and civil unrest has never in history been so great.
* How the dangerous instability of Mr. Carter's conflict could trigger war and potentially a political crisis that would make Watergate look like child's play.

CYCLES OF WAR PUTS IT ALL TOGETHER!

If ever there was a book that tenaciously, blow by blow, **ties together your position in history** it is CYCLES OF WAR, THE NEXT SIX YEARS. The completion of the book is usually accompanied by stunned silence — the "sound of silence" that comes from **finally knowing WHY you have such a nagging sense of uneasiness over the near-term future.**

Additionally, there are **four more solid reasons why** CYCLES OF WAR is **critical reading** for you immediately!

1. NO personal or financial PLANNING of any type MAKES SENSE WITHOUT THIS heavily documented OVERVIEW of the future.
2. YOU, as an American, ARE uniquely VULNERABLE to the savagery of war. CYCLES OF WAR explains why.
3. YOUR FREEDOM IS AT STAKE. The political climate is ripe for a **"Caesar"** to come to power LAWFULLY in the United States. CYCLES OF WAR provides you with the INCONTESTABLE EVIDENCE.
4. CYCLES OF WAR supplies you with the guidelines necessary to ENSURE YOUR SAFETY and well-being during the coming violent years.



CYCLES OF WAR HAS NO EQUAL!

The author has experienced a series of events that have uniquely prepared him to write CYCLES OF WAR. In college, he was the target of a recruiter for **a communist cell** whose objective was to prepare for a violent revolution in the United States in the late 1970's. He has **instructed** students **at the U.S. Air Force Academy.** Next, he became **a general's pilot** at North American Aerospace Defense Command Headquarters in Colorado Springs, Colorado. There, he also **participated in "war games"— simulated nuclear attacks** on the United States. Today, he is one of the most highly respected **international economic** and **financial writers** in his field, a career which deepens his understanding of the causes of war.

Initially, the author caught a glimpse of **an approaching violent horror. HE DID NOT BELIEVE IT!** But the evidence kept rearing its ugly head. He decided to investigate this approaching "monster" thoroughly. He turned down a partnership opportunity with one of the largest real estate development firms in the world. He rejected another $150,000-a-year opportunity and moved to Montana. He has spent **13 years** and **hundreds of dollars researching** the material in CYCLES OF WAR. He has documented **over 100 sources dating back to the 13th Century,** many of which are **little-known** and **long-hidden** from the public. He condensed this massive amount of material **for your easy reading.** And now, for just $10, you too can receive the same valuable insight prepared for the author's family. At $10, CYCLES OF WAR, THE NEXT SIX YEARS, is an incredible bargain!

MONEY-BACK GUARANTEE

Like you, the author despises the "fast buck," "ready-mix," "rip-off," mail order books that hit the market by the dozens every week. CYCLES OF WAR is **a classic, a hardback** with a dust cover. It contains over **300 footnotes,** with extensive quotation to even further establish credibility. It is one man's total contribution to mankind.

We are so sure that you will find CYCLES OF WAR, THE NEXT SIX YEARS, to be exactly what we say it is that we make you the following money-back guarantee:

> If for any reason you are not satisfied with CYCLES OF WAR, return it within 10 days and receive a complete refund, no questions asked.

ONE FINAL POINT

CYCLES OF WAR contains a literal explosion of alarming information which, if understood by the public, could lead to drastic and immediate changes in American society. Therefore, CYCLES OF WAR **may not be available for long.** It could be **SUPPRESSED BY THE GOVERNMENT,** which has, in fact, suppressed some of the material included in the book. **ACT NOW** to ensure that you will receive this remarkable blueprint of your future, **YOUR LIFE-LINE TO THE FUTURE!**

Is a depreciating $10 bill worth the risk of not reading CYCLES OF WAR, THE NEXT SIX YEARS? **NOT ON YOUR LIFE!!!**

NO RISK COUPON

War Cycles Institute,
P.O. Box 1673, Dept. C
Kalispell, Montana 59901

Ship me CYCLES OF WAR immediately. I am enclosing my check (money order) for $10, plus $1 for postage and handling.

Name _____

Address _____

City _____

State _____ **Zip** _____

©War Cycles Institute 1977

The Coming Social Security Crisis

editorial

Congress and the Carter administration have pulled another fast one on the American taxpayer. While the media focus attention on Carter's proposed $25 billion tax cut, few have reported accurately the massive increases in Social Security taxes legislated by Congress last fall.

To be sure, most people noticed a slightly higher FICA deduction from their first 1978 paycheck. In fact, the maximum SS tax—paid by most middle-income taxpayers—will be 10.9 percent higher this year. But since elections take place this fall, Congress very cleverly postponed the beginning of the *large* increases, those aimed at bailing out the system, until 1979 and beyond. Thus, *after* a new Congress has been safely elected, the maximum tax will increase a whopping 31 percent in 1979. And that's just the beginning of a succession of annual increases in both the wage base and the tax rate which will bring the maximum tax to $3045.90 by 1987 (compared with $965.33 in 1977).

Carter's much-vaunted tax cuts will have virtually no effect on counteracting these massive increases. In just the first year, 1979, a family of four with income over $20,000 will end up paying *more* federal taxes—$119 more if their income is $25,000, $221 more if it is $40,000, and so on up the scale. And in subsequent years the further increases in SS tax will wipe out an income tax savings for all income groups except those at the very bottom.

The net result of this massive tax escalation will be devastating—to middle-income taxpayers and to the economy. To begin with, a net increase of from several hundred to several thousand dollars in federal taxes each year will reduce each family's disposable income. And that, other things (like inflation) being equal, will reduce the amount they are able to save. That, in turn, will reduce the amount of money they invest in stocks and bonds or salt away in banks and S&Ls.

This depression of savings is not just idle speculation. Economist Martin Feldstein of Harvard has estimated that during the 1960s Social Security taxes reduced personal saving by 50 percent from what it otherwise would have been. That amounted to a *$61 billion* reduction in 1971 savings alone!

Social Security also reduces the extent of private pension plans. It has already had this effect over the past several decades and the tendency of corporations to cut back on pension fund contributions can't help but be strengthened by the tripling of Social Security taxes on employers over the next decade. Besides cutting the value of pension plans to employees, this trend will cause a further reduction in total investment in the economy. That's because private pension plans are a major source of funds for the nation's capital markets, providing, for example, $16.8 billion in new funds in 1974. So cutbacks in pension contributions will mean further cutbacks in new plant and equipment.

Why should we worry about that? Because it is only by continued capital investment that American industry can remain competitive with the increasingly modern, efficient industries of Western Europe and Japan. Several decades of Keynesian macroeconomic planning have biased the American economy toward consumption at the expense of saving. Only 4-8 percent of American disposable personal income ends up being saved (and therefore invested), compared with *14 percent* in Germany and *20 percent* in Japan. Is it any wonder that many American industries (e.g., steel) find it difficult to compete with their more efficient counterparts abroad?

Just its destructive effects on savings and investment would be reason enough for junking Social Security. But there's more, far more. Consumer advocate Warren Shore has persuasively argued that as a form of so-called insurance, Social Security is a massive fraud on the American public. The more common myths are increasingly recognized as such—e.g. that Social Security is actually insurance, or that its trust funds provide sound reserves. Less well understood are the outright distortions SS officials resort to in promoting it, e.g.:

- Understating the "cost" of the program by half by counting only employees' contributions.
- Exaggerating the value of future benefits by about 100 percent by failing to discount them to present value.
- Ignoring the fact that equivalent dollar value insurance protection for a typical family can be purchased from private firms for about *one-third* the annual SS payment.

These distortions are resorted to in order to keep taxpayers from realizing the extent to which Social Security has become a welfare program, transferring massive amounts of money, *not* into future benefits for those paying, but into present-day SSI and Medicare payments.

Is there any hope of getting this monster off our backs, before it devours us all? Fortunately, a golden opportunity is on the horizon. Many Congressmen are already predicting a massive middle-income backlash against the 31 percent increase that will hit next January first. As a result, many observers expect 1979 to be a year of yet another massive effort to bail out Social Security with new taxes. Al Ullman is already hoisting trial balloons for a federal Value Added Tax and many liberals favor allowing "general revenues" (i.e., income taxes) to be used to finance Social Security. If either approach is adopted, any hope of curbing the continued explosion of SS costs and benefits will go down the drain.

But instead of using the expected taxpayer revolt as an excuse for massive new taxation, it could instead become the catalyst for phasing out Social Security once and for all. The present system is *not* "basically sound" and only in need of a little more tinkering to ensure its viability. It is an engine of destruction, consuming the savings that should be going into massive refurbishment of American industry and housing. It provides niggardly benefits hedged round with exceptions and exclusions, at an outrageous price compared with private insurance. The federal government is no more competent at providing insurance coverage than it is at delivering the mail.

No, Social Security must not be bailed out—it must be *phased out*. Several proposals to do just that have been put forward in the past decade. In 1968 James Buchanan proposed a plan for the government to issue social insurance bonds to replace Social Security. A revised version of this plan was devised by Charles Hobbs and Stephen Powlesland in 1975 at the Institute for Liberty and Community. Warren Shore's proposed "New Generation Compact" would phase in private insurers and phase out Social Security over a carefully structured transition period.

Perhaps a better, more libertarian, plan than these can be devised. Let us hope so. But let us also realize the urgency of having some sort of phase-out plan ready when the Social Security crisis of 1979 comes to a head. The present SS system is unlikely to survive in its present form beyond next year. Whether it becomes permanently embedded in the federal tax structure *or* set on the road to abolition could well depend on the efforts of free market advocates over the next nine months.

Robert Poole, Jr.

"HYPERINFLATION, DEPRESSION, SOARING GOLD PRICES"

Just a Few of the Topics Discussed at the Recent Gold Conference in New Orleans

The largest gold and investment conference ever held! A record breaking 1300 attendees from all 50 states and 14 foreign countries paid $295.00 to attend! Now you can hear the entire conference—all 36 speeches, professionally recorded—for only about $5.21 per hour of cassette tape, or $120.00 for this invaluable and timely set of tapes.

Just a Sample of the Hundreds of Timely Investment Issues and Answers Discussed by Speakers at the Recent New Orleans Conference:

- Specific and reasoned gold price projections, short and long term. Correction overdue or eventual rise to $300-$500?
- Ten basic reasons to expect a silver price of $15-$20 by 1980.
- The stock market? An inflationary blow-off to 1500-2000 DJIA or deflationary slide to 500 or lower?
- Uranium: the super investment for the 1980s.
- International currency trading. Which currencies to avoid and which are likely to preserve capital and increase 10% to 50% against the U.S. dollar.
- Why Carter can't balance the budget and specific implications for the bond and equity markets.
- Two diametrically-opposed views on the prospects for international official demonetization of gold and, ironically, why both are long-term bullish for the price of gold.
- Real estate and other markets other than stocks and commodities.
- South African gold shares that can climb 1000%!?
- The extraordinary implications of a gold-backed Russian ruble.
- The outlook for official and private Arab gold demand in 1978 and beyond.
- An international banking crisis caused by Third World default on the debts?
- Deflation and a severe depression, Latin American-style inflation, or hyper-inflation?
- Legal means to reduce taxes, including a timely analysis of tax havens.

Howard Ruff, author of the fastest growing service in the U.S., **The Ruff Times,** calls it **"the biggest investment event of the year . . . the agenda reads like a who's whom . . . a whopping good bargain . . . and opportunities to meet with the best financial minds in the world."**

Newsweek Magazine says, **"The upcoming convention on Gold in New Orleans will be like old home week, the gathering of the clan."**

Dr. Harry D. Schultz calls it **"the annual seminar maximus!"**

Richard Russell of **Dow Theory Letters** says, **"The big one! The speakers constitute a monetary who's who!"**

The **national media** has called it **"the largest annual gathering of the world's wealthiest gold bugs."**

Donald Hoppe, author of the classic, **How to Invest in Gold Stocks,** says, **"Without a doubt the most important and exciting monetary and investment seminar in the U.S. . . . the absolute top level of gold, economic and investment experts in the world."**

Please RUSH _____ Tape sets of the 1977 GOLD MONETARY, ECONOMIC, AND INVESTMENT CONFERENCE (I enclose my check for $ _____ 120 each)

NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

NATIONAL COMMITTEE FOR MONETARY REFORM - 1524 Hillary Street, New Orleans, La. 70118

36 SPEAKERS

THE TRANSFERRABLE RUBLE AND THE CONVERTIBLE RUBLE: THE BEGINNING OF THE END FOR FIAT MONEY — *Andrew A. Brichant.*

TWELVE LAWS FOR SUCCESSFUL TRADING IN GOLD, COMMODITIES AND STOCKS — *Conrad Leslie.*

GOLD: AN IN-DEPTH LOOK AT INTERNATIONAL SUPPLY AND DEMAND — *Thomas Wolfe.*

THE EURODOLLAR MARKET: THE COMING DEFLATIONARY STORM — *John Exter.*

SOUTH AFRICA AND AMERICAN GOLD POLICY — *Anthony C. Sutton.*

LONG AND SHORT TERM PREDICTIONS ON THE U.S. STOCK MARKET — *Robert Blieberg.*

THE MIDDLE EAST AND GOLD (including predictions for both private and official Arab gold demand.) — *Timothy S. Green.*

THE CONTINUING CRISIS OF WORLD INFLATION — *Willam Ress-Moog.*

THE END OF THE U.S. DOLLAR MONOPOLY: TOWARD A FREE MARKET MONETARY SYSTEM — *F.A. Hayek.*

SILVER: THE SUPER INVESTMENT OF THE COMING DECADE — *Charles Stahl.*

INVESTMENT OPPORTUNITIES IN URANIUM — *Ira U. Cobleigh.*

THE FEDERAL DISCOUNT RATE AND GOLD: 1929 REVISITED — *Morgan Maxfield.*

THE FISCAL AND MONETARY CONSEQUENCES OF CARTER ECONOMICS — *Alan Reynolds.*

TRENDS IN U.S. AND WORLD MONETARY INFLATIONS: IMPLICATIONS FOR FINANCIAL MARKETS, CURRENCIES AND GOLD — *Dr. Anthony J. Boeckh.*

EMANCIPATION FROM ECONOMIC SLAVERY — *Col. E.C. Harwood.*

IMPACT 1978: THE QUANTITY THEORY OF MONEY — *Samuel Paige.*

GLOBAL MONETARY POLICY: IMPLICATIONS FOR THE U.S. DOLLAR AND GOLD — *Arthur B. Laffer.*

AN IN-DEPTH ANALYSIS OF SOUTH AFRICAN GOLD SHARES — *Michael West.*

INVESTING: INTERNATIONALLY STOCKS, COMMODITIES, OPTIONS, CURRENCIES AND PRECIOUS METALS — *James E. Sinclair.*

PREDICTIONS FOR 1978: INVESTMENTS AND SPECULATIONS OUTSIDE THE STOCK MARKET — *John V. Kamin.*

INTERNATIONAL CURRENCY MARKETS AND GOLD — *Charles A. Coombs.*

MARKET TECHNIQUES FOR INVESTMENT TIMING — *James M. McKeever.*

THE FUTURE OF THE DOLLAR: INFLATION VS. DEFLATION — *Julian Snyder.*

OUR AMERICAN SUBROSA GOVERNMENT — *Lawrence T. Patterson.*

U.S. GOLD AND MONETARY POLICY: THE EUROPEAN POINT OF VIEW — *C. Gordon Tether.*

HOW TO PROFIT FROM MARKET CYCLES (Does Kondareff suggest super inflation (1980-1981) followed by a crash?) — *Donald Hoppe.*

INTERNATIONAL CURRENCY COLLAPSE AND THE REBIRTH OF GOLD — *Jerome F. Smith.*

CONGRESS' PRESCRIPTION: MORE KEYNESIAN'S SNAKE OIL — *Senator Jesse Helms.*

AMERICA: ON THE BRINK — *Howard Buff.*

RECENT DEVELOPMENTS IN SOUTH AFRICA AND THE FUTURE OF GOLD — *Owen Horwood.*

GOLD AND THE EQUITY AND BOND MARKETS — Using Mr. Holt's Flow-of-Funds analysis) — *Thomas J. Holt.*

CARTER'S PROMISES: A BALANCED BUDGET OR INFLATION? — *Senator Barry Goldwater.*

TAX HAVENS: IS THE GAME OVER? — *Robert Kinsman.*

THE INTERNATIONAL ORCHESTRATION OF GOLD — *Douglas E. Johnston.*

SOUTH AFRICA: THE PROSPECTS OF SURVIVAL — *Jesse Cornish.*

letters

(Continued from p.4.)

off foreign bankers who have made unsecured loans in the past.

Nowhere do the aforementioned writers give us facts such as that Panama owes $2.7 billion to fifty-one international banks, debt service alone amounting to 40 percent of Panama's annual budget. This money simply cannot be paid back by a near-bankrupt government without help of the US taxpayer. So, the issue is nothing more than a scheme to repay bad loans and bail out the bankers at our expense.

All too frequently of late we learn that loan officers have made unsecured loans to numerous nations with the expectation that if there is a default all they have to do is start a propaganda campaign to get sufficient sentiment and popular support to have the parent government bail them out. Only as recently as the first week of this year, NBC TV News reported while President Carter was in Poland, that that nation was badly overextended in loans to international bankers and would beg for a bailout from, guess who! American taxpayers, of course.

How these bankers operate and gain covert control of nations is well explained by Count Egon Caesar Corti in his book *The Rise of the House of Rothschild.* I do not imply that the Rothschilds are presently alone in this game or even at the roots of it. I simply say that bankers today are using the identical formula as was used by the bankers of Europe at least as far back as the 19th century. Since national entities are unable to put up collateral, the bankers will gladly make unsecured loans for a partnership status in running the country, the effect of which is to "stabilize" the ruling regime (which is usually a left-wing or right-wing dictatorship already) and bleed the populace of the products of their labor.

Duron L. Smith
Montgomery, AL

Economic Consequences

It's hard to go against Dr. Szasz's brilliant reasoning ["Drug Prohibition," January] but how do you treat the shifting of the economic consequences of a self-chosen lifestyle onto someone else?

The smoker, drinker and junkie create societal costs even if we abolished the bureaucracies who deal with them. Medical costs are very high yet when you look at the people who disproportionately "load up" the system you will find cigarette induced cardio-vascular problems. A drunken driver drives up insurance costs. Emergency wards are full of people stabbed and shot in dope quarrels and so on. Ditto with large families (many politicians have large families you will note). They create costs in real money shifted on to others.

Step two would be to find some way to separate the "public welfare" definition of tax disbursements and let each lifestyle devotee pay for the economic consequences of his preferences.

S. Charney
Pacific Palisades, CA

The editor replies: The fundamental choice is between individual liberty—with its attendent social and economic "costs"—and an all-powerful State. As Mr. Charney correctly points out, if drugs can be prohibited because *some* people will use them irresponsibly, sex must also be prohibited because some people will have more children than they can responsibly afford to raise. Freedom isn't "free," to repeat an old cliche. —**R.P.**

comment of the month

The letter below, by subscriber Alan Brooks, appeared in the Sept. 3, 1977 issue of *Editor and Publisher.*

POSTAL MONOPOLY

I find it somewhat misleading to read comments from editors and publishers across the nation who blast the proposed five-day mail service schedule. No doubt, these same individuals will protest any plans to increase postal rates for second class and third class mail, both categories which are highly subsidized by first class mail patrons.

The real issue, though, is whether we should continue to accept the Postal Service's legal monopoly and the government's "official" reasons for forcing the private express statutes upon us. Editors have dutifully condemned other business monopolies, yet tend not to speak out against the postal monopoly.

As demonstrated by citizens such as Robert Black in Pittsburg, Kansas and Paul Brennan in Rochester, N.Y., competition in the letter carrier trade will improve services at less operating cost and without sacrificing service to rural areas. Editors should be as open in challenging the constitutionality of the private express statutes as they are in defending freedom of the press.

If we continue to permit the government to regulate the delivery of our letters, we will have no cause for complaint when politicians decide to regulate the contents of our letters—and our periodicals.

Alan Brooks
Ft. Collins, CO

REASON subscribers are encouraged to write letters to the editor of their favorite newspaper, magazine, or journal, and to submit replies to TV and radio editorials, presenting libertarian views on topics of current interest. Each month the editors of REASON select the most notable published letter or broadcasted reply for republication in this space, and honor the writer by a six-month extension of his or her REASON subscription. Send copies of your published letters or broadcasted replies to Reason Comment of the Month, Box 40105, Santa Barbara, CA 93103.

Education Subsidies?

Your December mention of the Packwood-Moynihan bill for providing massive federal aid to parochial and private elementary and secondary schools, as well as to colleges of all sorts, through tuition reimbursement grants and income tax credits, failed to mention certain problems with this proposed legislation.

First of all, as applied to sectarian elementary and secondary schools, the bill is clearly unconstitutional, as the Supreme Court ruled in a New York case in 1973. The Supreme Court has consistently held that government may not provide financial support for denominational elementary and secondary schools, even indirectly under the so-called "child benefit theory."

Secondly, the Packwood-Moynihan bill, by providing federal subsidies for the proliferation of ideology oriented private schools, would in the long run undermine economies of scale in education, rendering education less efficient and more costly.

Further, the Packwood-Moynihan bill would stimulate fragmentation of education along sectarian, ideological, class, ethnic, and other lines. The resulting strains on the fabric of our society would

be disastrous.

The country needs the Packwood-Moynihan bill the way Northern Ireland needs another religious civil war.

Edd Doerr
Educational Relations Director
Americans United for Separation of Church and State
Silver Spring, MD

The editor replies: Mr. Doerr errs in describing the Packwood-Moynihan bill as providing grants and subsidies to schools. It does no such thing! It provides tax relief to people who utilize private schools—an entirely different action, and one that is highly likely to be found constitutional. If the diversity produced by free competition among schools is "fragmentation" and "strains," then let's hear it for fragmentation and strains. Nobody seems to complain about such fragmentation in the food or clothing business. **—R.P.**

Liberty League

Assuming no one had reason to be interested in the American Liberty League at this time, I was surprised to see the article by David A. Pietrusza in your January issue.

I was considerably interested in the challenge of the League at the time of its activities, and still retain several of its pamphlets. Not only was the League correct in its warning of departure from basic American principles, but we are reaping the harvest today in our present chaos.

Why its demise? Mr. Pietrusza evidences only the political surface. Today we have the long range manipulation and motivation of events. While not directly bearing on discrediting the League, these go back to 1897 when Andrew Carnegie advised his fellow capitalists to adopt the socialist philosophy in their interest. Which has had the ramifications of a penetrating evolution of corporate global economic exploitation, and a multi-corporate empire, in which the entity of the United States and free enterprise, its philosophy, mean nothing.

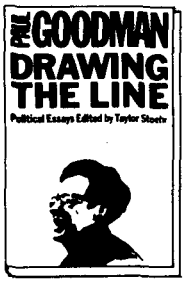
The citizen today has no party, no defense, to rectify the political "sellout" in the evolutionary decline in intellect, education, literature, law, and morality.

Edward Freeman
Saratoga, NY

AMA and the State

In the January Trends you gleefully pull

"Paul Goodman was the sort of political clairvoyant who is ignored by the prestigiously cocksure damn fools who are regarded as responsibly authoritative voices until it is too late." —Nicholas von Hoffman



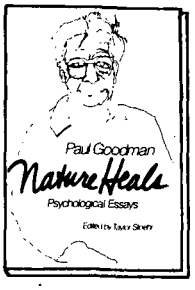
DRAWING THE LINE
Political Essays of Paul Goodman

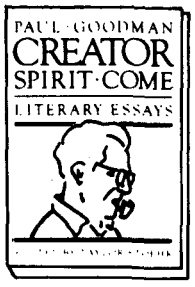
Goodman writes on education, rural reconstruction, decentralizing media, anarchism, resistance and violence. From the book's first essay, "Reflections on Drawing the Line," to his last speech, "Decentralizing," his chief concern is for the dignity of the individual and the broadening of social options.
A Macmillan Book Club selection $11.95, 272 pp.

All Three Volumes for $32.00

NATURE HEALS
Psychological Essays of Paul Goodman

Goodman's critiques of Freud and Reich and discussions of aggression, racism, sex, and ethics. *"This volume will show how significant Goodman's contribution is to Gestalt therapy and psychotherapy in general."* —Isadore From
A Psychotherapy & Social Science Book Club selection
$11.95, 259 pp.





CREATOR SPIRIT COME
Literary Essays of Paul Goodman

The best of Goodman's vast literary criticism. He writes on film, pop culture, censorship, and pornography and reviews works of Kerouac, Kafka, and Hemingway. *"It was that voice of his that seduced me—that direct, cranky, egotistical, generous American voice."* —Susan Sontag $11.95, 284 pp.

FREE LIFE EDITIONS, 41 Union Sq., Suite 1428 R, New York, N.Y. 10003

Please send me the following books:

____ Complete set of three volumes _____
____ Drawing the Line _____
____ Nature Heals _____
____ Creator Spirit Come _____
Postage & Handling .50
NYS residents add tax _____
Total _____

FREE LIFE EDITIONS

Name_____
Address_____
City, State, Zip_____

Are You Seeking at Least
50% *Annual Increase for Your*
Risk Capital Investment?

If you can afford a minimum investment of $10,000, you'll want to know about the REVMAC SYSTEM™ portfolio approach to as many as 25 commodity futures markets.

REVMAC is a personalized, professional management program which has been thoroughly tested and constantly refined. It combines REVersals, Moving Averages and Computer discipline in guiding trading decisions.

Here is a way to seek unlimited profits while avoiding margin calls, forced liquidations, and unlimited loses. Since 1973, the REVMAC SYSTEM has averaged 74% annual increase. During the last quarter of 1977, equity increased 27% after brokerage, management and profit incentive fees.

We can't guarantee your investment will have the same results in the future, but we can guarantee your risk will never exceed your original equity, and probably only 50% of it. Send for our free brochure and recent position reports.

COMMODITY INVESTMENT COUNSELORS
1622 Wadham Court, Wheaton, IL 60187

Name_____

Address_____

City_____ State____ Zip____

Phone_____ Call: AM____ PM____

Registered with Commodity Futures Trading Commission as advisor and pool operator. R4

Gold and Silver
517-351-3466

Price counts. At Liberty Coin Service we have been offering investors the lowest prices on gold and silver coins since 1971.

Consider, the following price chart. All are actual prices, including commissions, quoted by telephone during the first week of January of 1978.

U.S Silver Coins (per $1,000 face)

	Jan. 2	Jan. 3	Jan. 4	Jan. 5	Jan. 6
LCS	Closed	3550	3460	3495	3510
Bramble		3700	N/A	3600	3600
Numisco		3650	3536	3608	3624
IPMC		3684	3603	3653	3645

South Africa Kruger Rands (price for 20 coins)

LCS	Closed	3645	3570	3615	3610
Bramble		3690	N/A	3680	3640
Numisco		3708	3625	3677	3677
IPMC		3768	3682	3736	3742

Liberty Coin makes the following claim: **Our prices are lowest.** And we invite you to call our competitors and compare. Then call us. You will save money.

Of course, service counts too. And Liberty Coin Service offers fast reliable service. All orders are processed the day received. Normally, shipment is made within 24 hours of our receipt of good funds.

And we publish a monthly "Report to Our Clients" that keeps you informed of the precious metals situation. It just may be the only letter around that isn't hard sell. We think you can make up your own mind.

And when you do make up your mind, we think you will deal with us at Liberty Coins. Because price and service count.

For further information, write or call for our "Gold and Silver Information Packet".

300 Frandor Ave. • Lansing, Michigan 48912
(517) 351-4720

the tail of the AMA, seemingly starting with the premise that anything they are for, we must be against. They are against physician advertising: so we should be for it.

To document their evil-doing, you report that they encourage strict admissions to medical schools. Of course they do! And so do I. And, probably, so do you. Or would you prefer to have your operation done by Denny Dimwit?

You also charge that they support strict licensing requirements. Well, what's the alternative? Supporting lax requirements, or none at all? A license may not be a guarantee of excellence, but at least it is an impartial attempt to establish competency.

I object most strenuously to your use of cant jargon like "cartelize the industry." What in blazes are you talking about? This semantic smog, generally arising from some federal bureaucrat, tries to obscure the fact that medicine is a profession, not an industry.

And your charge that the AMA is "thoroughly in league with the State" is the most vapid of arguments. If they are so cozy, why are they getting sued in federal court?

Advertising is an expense. It may be justified if it allows a business to sell more products, and thus operate at a smaller margin of profit. But it is just here that it is important to remember that medicine is not a business, not an industry, not a cartel. Even if the doctor's service is seen as analogous to a product, most doctors are not in a position to supply very much more of that service/product. Advertising will not create more doctors, nor more time, nor more expertise, nor more caring about patients. In a word, it is not going to produce better health care.

And if you think it is going to produce cheaper health care, your so-called "victory for the free market," then I, and perhaps other readers, would like to know how this is going to happen.

Will housewives search for physicians like they shop the weekly produce specials, going to this doctor/supermarket this week and another the next? Commercials nowadays not only boost their own products, but run down the competition. Is that where it's at?

Do you, dear friend—you, personally—believe what you hear and read in commercial advertising? Just tell us how that garbage is going to reduce costs and achieve that great victory in the free market.

Finally, if you believe that there should be more doctors, I suggest that this is a further argument, not related to the FTC action. And I further suggest that it would encourage more bright, young people to go into medicine if you could get the government out of it.

James McNeese, M.D.
La Grange, IL

The editor replies: The efforts of the AMA to enforce, *by law*, their version of medical orthodoxy must be objectionable to defenders of freedom, even if the motivations of many of its members are benevolent. If we are to have a free society, chiropractors, osteopaths, holistic healers, midwives, and shamans must all be allowed the freedom to practice—so long as they do not defraud their customers by making false claims. The AMA has every right to set high standards for medical schools that choose to accept them—but not to use the law to shut down all other schools. Likewise, the AMA may expell members who violate its *own* rules by advertising, but has no business getting those rules enacted into laws. The only way to find out whether advertising will lead to lower average costs for medical care (as it does in virtually every other business, including the provision of eyeglasses and dentures) is to allow the market to operate and see what happens.—**R.P.**

Son of One

The revised Criminal Code Reform Act of 1977 (SB 1437) recently passed in the US Senate. This legislation is no great improvement over last year's outrageous SB 1. Legislators have nicknamed it "Son of One" for good reason. In theory the bill is a reorganization and clarification of existing federal laws, but in reality the range of possible offenses and causes for being apprehended have been greatly expanded.

From my analysis, the most crucial part of 1437 is Subchapter B of Chapter 36: "Offenders with Mental Disease or Defect," for a person accused of any of the misdemeanors or felonies defined elsewhere in the bill could be classified as just such an offender, and thus be subject to its provisions. Moreover, the term "alleged" has been omitted from a connection with the word "offender" in both the title and the body of this subchapter, thereby effectually negating the concept of presumption of innocence. Subchapter B is actually a rewriting of Chapter 13, section 4244 et seq., "Mental Defectives," of the present us Code, mandating not only care and custody, *but treatment* at virtually all stages of incarceration.

The opening section §3611, deals with "Determination of Mental Competency to Stand Trial." As in the present us

Code, no punches are pulled. The "attorney for the government" may, at any point in the trial up to the time of sentencing, file a motion that the defendant undergo what might be termed a "competency hearing," if he appears to be "suffering from a mental disease or defect rendering him mentally incompetent... to understand the nature and consequences of the proceedings against him or to assist in his defense."

If the court grants the motion (do you think it wouldn't?), the defendant may be held up to 45 days for observation prior to the hearing. At the hearing itself he is to be represented by counsel, may subpoena witnesses on his behalf, and confront and cross-examine witnesses. It seems strange that he is permitted these rights to prove his competency to stand trial, while he is being denied the right to a trial itself. It would appear that he must prove himself innocent of two charges: that of the actual crime, and that of insanity. Since failure in either case results in confinement, I regard both as charges.

If the defendant "fails" the hearing, with the judge deciding he may not stand trial, he is committed to the tender custody of the Attorney General who shall hospitalize him *for treatment* in what is termed a "suitable facility." There he must remain up to four months, with a possible two month extension, if more treatment is deemed necessary. At the end of six months, if he has not "improved," he may be recommitted for an indefinite period until the director of the "facility" says he may stand trial, or his release in any case will not pose a serious threat to the body or property of another person. Now that is *not* why he was hospitalized in the first place. It was because he was judged to be unable to understand trial proceedings. Potential dangerousness was not an issue. Suddenly it is.

A few legalistic placebos have been prescribed as amendments to placate those people who still express concern about such old-fashioned notions as individual liberties, and who actually believe that the right to a fair trial, with the defendant presumed innocent until proven guilty, is of far greater value than the "right to treatment." According to §3616-j, there will be regulations governing the use of psychosurgery, electric shock treatment, and drug treatment. "...no such procedures shall be permitted without the informed consent of the person, or [and here's the catch] *if such consent is not possible the informed consent of a guardian or other person appointed to represent the interests of the person committed...*" Now wait a minute—just who is to determine whether a person is able to give "informed consent?" It doesn't say. Presumably it will be some impartial party such as a state psychiatrist or the director of the "suitable facility."

Bear in mind that all this confinement and treatment can apply to those not even tried and convicted. It is worse yet for those who are tried, but found "not guilty by reason of insanity." They may be held indefinitely, with fewer hearings and reviews, far beyond the limit of the original sentence.

SB 1437 in entirety is a mare's nest of laws, new legal concepts and categories, with vast powers given to the federal government. But even if it were not, if it were simply the codification of existing laws, Chapter 36, Subheading B alone would justify its defeat. A strong central state is bad enough—but a therapeutic one is and will be unbearable.

Sarah E. Foster
Sherman Oaks, CA

Overdose Myth

Dr. Szasz makes some excellent points in "Drug Prohibition" [January] but unfortunately he makes a statement that supports one of the persistent myths concerning drugs. He states that it is

Now Available:

Adam Smith:
The Man and His Works
By E. G. West

1776 was a year of momentous events, including publication of *The Wealth of Nations*—the book that launched the movement for economic liberty. Here is a brisk look at the author of that epic, written for the layman and student. Hardcover $6.95, Paperback $1.45.

The Wisdom of Adam Smith

Adam Smith may have been the first great economist, but he was no dismal scientist. He was instead a man of great philosophical and historical learning, and his literary style was widely admired. *The Wisdom of Adam Smith* brings together his most incisive and eloquent observations on subjects ranging from political and economic history to morals, philosophy, art, education, war and the American colonies. Compiled by British scriptwriter and playwright John Haggarty, edited and with an introduction by Benjamin A. Rogge. Hardcover $7.95, Paperback $1.95.

The Theory of Moral Sentiments
By Adam Smith

Adam Smith's first book will startle those who think capitalists are purely selfish, for Smith fully understood that liberty must be based in a moral order. Dr. E. G. West, who writes the introduction, asserts that "if *The Wealth of Nations* had never been written, this previous work would have earned for him a prominent place in intellectual history." *The Theory of Moral Sentiments* was greeted with rapturous praise in its own day. Smith's friend David Hume wrote to him from London soon after the publication, telling him that "the public seem disposed to applaud it extremely." The "mob of literati," Hume added, "are beginning to be very loud in its praise." Hardcover $9.95, Softcover $2.95.

LibertyPress LibertyClassics

We pay postage on prepaid orders.
To order these books, or for a copy of our catalog, write:
LibertyPress/LibertyClassics
7440 North Shadeland, Dept. J7
Indianapolis, Indiana 46250

possible for narcotics to cause death by deliberate suicide and accidental overdose. This supports the popular belief that people die of heroin overdose.

The Consumers Union book *Licit and Illicit Drugs* devotes a chapter to the heroin overdose question. Their conclusion is that probably none of the deaths attributed to overdose were in fact caused by overdose.

Most "overdose" deaths are characterized by massive pulmonary edema—liquid in the lungs. This is caused by a combination of ingredients. Alcohol in the bloodstream, plus an injection of morphine or heroin does it. Barbiturates plus a "fix" is a lethal combination. Other combinations are probable.

This information has been medical knowledge for years. It has been kept secret by the popular media, and by continued use of "overdose" in the press and on death certificates. How many people have died unnecessarily?

Everett DeJager
Cincinnati, OH

Libertarian Strategy

If I might combine the Woody Jenkins [December] and Michael Emerling views, it would seem that the libertarians should subdivide into three groups: one left; one right and one pure. The left wing should be captained by Jenkins. The right wing should have a convention and select a leader. The fuselage is in good hands.

"Cross dressing" (turn coat?) and infiltration (fifth columnization) may seem like dirty business but until the body politic withers away, we must use all semantic means available to undermine the popular myths of the masses. Everyone has been mislabeled Republicans and Democrats as well as politicians who change their stripes while in office. I believe Senator Goldwater is wrong in his view that all Republicans should be elected to office regardless of their views and/or record and then worked on after they hold office. I would suggest the opposite as more reasonable. That is, each philosophy should find cohorts and fellow travelers of any stripe who are electable (or already in office). Once elected these libertarians-at-heart should be kept on the straight and true libertarian path.

In politics, if a race is being fought between a socialist Democrat, a socialist Republican, a socialist Communist, a socialist Liberal, and a socialist Socialist all of whom are opposed by a libertarian-Libertarian, the socialist philosphy (even if all other factors are equal) has a five-sixths chance of winning.

Robert Hawkins
Santa Barbara, CA

Shortage vs. Surplus

In the October "Trends," the explanation of the effects of minimum wage laws was backwards.

You reported, "Economists have long pointed out that laws requiring payment of a minimum wage are another form of price control, and therefore produce the expected consequences: shortages...a minimum price for labor creates a shortage of jobs...."

True, minimum wage laws are a form of price control and we should expect like consequences. But contrary to your remarks, price controls cause either shortages or *surpluses*: a price fixed below the free market (maximum price) creates a shortage, and a price fixed above the free market (minimum price) creates a *surplus*. Minimum wages are a form of the latter.

Minimum wage laws fix labor prices above the free market rate. Hence, a surplus of labor results for which there is no demand. Minimum wages don't create a shortage of jobs. There is always work to be done! They create a surplus of labor which is priced out of the labor market.

No doubt all of this is quite obvious to you now that you are reminded of it. I just couldn't let this one slip by.

Mark Spangler
Milton, PA

CORRECTION: The editors wish to apologize for and clear the record on several errors in Professor Yeager's book review in the February issue. On page 44, column 3, line 43, *circulatory* should be *circularity;* on page 45, column 1, last line, and column 2, line 7, *complimentary* and *complimentarity* should be *complementary* and *complementarity.* In addition, the sentence "But this is a rather epigrammatic and easily refuted statement" (page 45, column 1, lines 22-24) was inserted by the editors and should not be attributed to the author of the review.

Letters from readers are welcome. Each receives editorial consideration, although only a selection can be published and none individually acknowledged. Letters submitted for publication in this column should be typed, double-spaced. They should be kept as brief as possible and are subject to condensation. Send letters to REASON, P.O. Box 40105, Santa Barbara, CA 93103.

Announcing the 4th issue of

Reason Papers

Articles

On Hobbes's Argument for Government ..... *David B. Suits*
Rationality: Minimal and Maximal ..... *Edward Walter*
The Study of Nationalism:
A Methodological Inquiry ..... *Judith Englander*
The Mechanistic Foundations of
Economic Analysis ..... *John C. Moorhouse*
On the Rational Justification of the State ..... *Jan J. Wilbanks*

Discussion Notes

Recurring Questions and Autonomy ..... *Humphrey Palmer*
A Note on Action and Causal Explanation ..... *Lester H. Hunt*
The Relevance of the Subjective ..... *Don C. Lavoie*
A Muddle Confounded ..... *Sidney Trivus*

Book Review

John M. Cooper's *Reason and*
Human Good in Aristotle ..... *Fred D. Miller, Jr.*

Price per copy: $4.00

Send orders to: *Reason Papers*
Philosophy, SUNY College
Fredonia, NY 14063

brickbats

☐ **And it grows long, green, revisionist hairs** on your palm: *Newsweek* (January 16, 1978) reports that in China, "Masturbation is still condemned as a practice that 'saps the revolutionary will and excites the cerebellum'."

☐ **The Canal Watch:** Those who scoff at warnings that the Panama Canal treaty would result in America's military impotence should hearken to Rep. Philip Crane (R-IL). He fears that the pact would set a precedent imperiling that linchpin of our naval might: the US base at Guantanamo Bay, Cuba. "A massive effort to get us out," Crane warns, "would begin the moment the treaties are signed." (He means ratified.) Crane is no armchair patriot, by the way; according to a usually reliable source he has been known to urge the atom-bombing of Washington, D.C., as the only cure for the nation's ills. Asked if that were conditional on his absence he supposedly replied (having had a few) that he was more than willing to die for his country. If only Ronald Reagan loved his country so well....

☐ **"Not many years ago,"** William F. Buckley wrote in a recent column, the Buckley family's Cuban cook told him that her sister in Havana was dying of cancer, in "miserable pain," because Castro had seized all the morphine for the army. After getting some advice on what it should look like, he forged a prescription for a 60-day supply of morphine (using the name of a doctor friend who was out of town), got it filled, and had the drugs smuggled into Cuba for the dying woman's use. Of course, there was one small detail: "Back from his fishing trip [Buckley writes], the doctor telephoned me...'I note from records that have come in from the pharmacy that I authorized you to pick up morphine worth about $50,000 on the black market. Are you enjoying it?'" Everything was swept under the rug, however, and so ended the career of Bill Buckley, International Drug Dealer (unless it was he who scored the hash Buckley *fils* smoked at the 10th Annual YAF Reunion, as recounted in the *National Review*, January 7, 1977.) This anecdote was the preface to an eloquent plea that doctors be allowed to prescribe heroin for terminally ill patients, perhaps to assure the reader that some of the nicest people can be pushers—although only a few years ago Buckley was advocating capital punishment for them. (*Quod licet Jovi, non licet bovi*, as he would say, or (very) freely translated: you can get away with anything with the right connections.) It only remains for Mr. Buckley to endorse letting us po' folks sell smack to the terminally ill too, and to note that life itself is a disease, and always terminal.

☐ **A footnote to "The Imperial Valley Ripoff":** perhaps you've seen the ad, with a woebegone family who might be the Snopeses but are really Larry and Cassie Gilbert and their four kids, crying that "They are going to take our land." Not quite. The proposal is to shut off the free government irrigation water to those farm families owning more than 160 acres per family member, or leasing more than 160 acres per family member, so the Gilberts could cultivate up to 1920 acres—three square miles—with free water; not exactly grinding the faces of the poor. In fact, one Ehud Yonay, writing in *New West* magazine (January 16, 1978), discovered that the Gilberts only own 140 acres and lease another 560, well within the limits. Only those farms larger than about 1000 acres would have to sell (repeat, *sell*) their excess land, which is 150 farms out of about 900 in the Imperial Valley. They average around 2000 acres. Now hear this: Yonay reports that "Federal water raises land values by an estimated $1000 an acre and more," so each of those 150 hardscrabble dirt farmers is the recipient of *at least* a $1 million subsidy from thee and me; and half of them got more than *twice* that. So much for the "attack on private property." And in 1976, gross Imperial Valley farm production was $521 million; the 150 accounted for about $300 million of that. But since they have almost two-thirds of the land, they hardly deserve the accolade of "the most productive." Nor are they more efficient; in that area farm equipment reaches its peak efficiency on from 700 to 1400 acres, and total costs of production are minimized on farms of between 200 and 400 acres. The Department of Agriculture says a 320 acre farm (one man owning and leasing the limit) should net its owner-operator $15,000 a year. So much for "creat[ing] a new class of welfare dependents," nor need we fear a shortage of food or fiber as a result. On top of that, Yonay claims that the large landowners were usually the instigators of socialized irrigation in the first place, as we might have expected. So what appears to the uninformed as a heroic band of Galtian *Ubermenschen* beset by whinning rotters and altruists, turns out to be the usual swine in danger of nothing worse than losing their privileged place at the public trough. Moral: get the facts first, and let the ideology look out for itself. He that has ears to hear, let him hear.

☐ **Great Moments in Political Philosophy, No. 7:** "Persons who rely on the Supreme Court test that something is obscene only if it has no redeeming value are 'depraved, mentally-deficient, mind-warped queers' the Utah Supreme Court said in upholding a Salt Lake City obscenity ordinance." (*Los Angeles Times*, October 30, 1977.)

☐ **In an interview with** *New York Times* correspondent John Burns South African Minister of Justice James T. "Jimmy" Kruger claimed: "I'm very, very sincerely for press freedom, and so is my Prime Minister. We are adherents of press freedom in its full sense." This appeared October 23, 1977, four days after Pretoria shut down *The World*, South Africa's largest black newspaper. Burns goes on: "From outside South Africa such formulations read suspiciously like Orwellian doublespeak. Yet to those familiar with this confused and troubled land, there is little doubt that the Afrikaaners of the Nationalist Party who hold a monopoly of political power believe what they say. The problem is that their concept of freedom, whether in press matters or anything else, is subordinate to their reverence for the State." *Their concept of freedom is subordinate to their reverence for the State.* Exactly! And can't you just think of so many self-described "libertarians" whom that phrase describes to the life? Bill Birmingham

LUCIFER'S LEXICON

By L. A. Rollins

abort, *v.t. To terminate a pregnancy with extreme prejudice.*

candidate, *n. One who lusts in his heart for power.*

just war, *n. Merely war.*

naturalize, *v.t. To make unnatural.*

scientific socialism, *n. Socialistic scientism.*

trends

Freedom of Choice Wins Again

Two more court cases have upheld the principle of freedom of choice in medical care. In both cases courageous judges ruled that individuals may use "prohibited" substances in medical treatment.

In El Centro, California, Imperial County Superior Court Judge Donald Work ruled that a 21-year-old man may receive marijuana as an adjunct to cancer therapy. The patient, Craig Reichert, is undergoing chemotherapy at Scripps Clinic in La Jolla. The THC in marijuana has been found effective in curbing the nausea that frequently accompanies chemotherapy. Reichert will receive up to three joints per day, under his doctor's supervision.

In Oklahoma City US District Judge Luther Bohanon continues to uphold the right of cancer patients to import and use Laetrile. Bohanon denied a request by the Food and Drug Administration to delay enforcement of his Dec. 5 ruling that removed restrictions on the importation and use of Laetrile. After conducting a lengthy hearing on the FDA's plea, Bohanon found no basis to grant the agency's request. Thus, Laetrile may now be *imported* legally, in addition to being used within the 13 states that have decriminalized it in the past year.

SOURCES:

- "Judge OKs Marijuana Use to Aid Cancer Patient," Penelope McMillan, *Los Angeles Times*, Jan. 25, 1978.
- "Judge Reaffirms Rule Allowing Laetrile Use," AP (Oklahoma City), Dec. 23, 1977.

Natural Gas Consensus: Deregulate

"We cannot accept the notion that our people are best served by a policy based upon the inevitability of energy shortage and the need for government to allocate an ever-diminishing supply among competing interests." So saying, the NAACP released one of the most stinging attacks to date on the Carter energy program. Condemning admistration policies for stressing conservation rather than production, the NAACP urged deregulation of the prices of new oil and gas rather than continued controls and new taxes. If the present high rates of unemployment among some groups of blacks are to be reduced, said the NAACP statement, the economy must grow rapidly. And that requires more energy, not just conserving what we have.

The NAACP is not the only erstwhile liberal organization to have seen through the sham benefits of energy price controls. In the last few months both the *Washington Post* and the *New York Times* have editorially endorsed deregulation. Last November 12 the *Post* pointed out the absurdity of administration efforts to keep the price of domestic gas within the $1.50-$1.75 range while attempting to make up the resulting shortages with gas from Alaska at $3.00 and Algeria at $4.50. And on January 1st the *Times* complained that "rigid defense of price controls makes little sense," that "controls create artificial shortages," and that "increased production, and allocation of gas through competitive bidding to those who need gas badly" would be beneficial. The *Times* therefore endorsed phased deregulation.

That seems to leave only Jimmy Carter, James Schlesinger, Henry Jackson, and a few other self-styled energy expert politicians still defending price controls. It is long past time for Congress to acknowledge economic reality and return oil and gas to the realm of the marketplace.

SOURCES:

- "NAACP Hits Carter Energy Plan," *Washington Post*, Jan. 12, 1978.
- "Algerian Gas—At a Price," *Ibid.*, Nov. 12, 1977.
- "Time to Compromise on Energy," *New York Times*, Jan. 1, 1978.

Electric Productivity

Every once in a while you'll run across somebody who urges that the government own and operate electric utilities. After all, he will argue, if the government owns them, electric companies will be able to sell electricity more cheaply, since they won't have to cover taxes or profits from the rates they charge.

Unfortunately, this little dreamworld picture ignores what actually *happens* when governments attempt to operate utilities. A good example was provided recently by John Moore, a member of the British parliament. Moore compared nationalized electricity production in the UK (excluding Scotland) with private enterprise electricity production in California, New York, and Pennsylvania—both areas of about 50 million people. The results are enough to make even dedicated socialists stop and think.

To provide electricity to 50 million people, the nationalized UK industry requires 172,483 employees. In the United States, the same job is done by 73,046 employees. In the UK, production is 211 million kilowatt hours; in the three states, 268 million kwh. Thus, output per employee is *three times* as great under private enterprise.

But that's not the end of the story. The American utilities paid $5.25 billion in taxes from 1970 to 1975—thus contributing to the support of government. But the nationalized utilitites soaked up $920 million in subsidies during the same period. In sum, nationalized electricity is a bad deal, not only for consumers but also for the government itself.

SOURCE:

- "Notable and Quotable," *Wall Street Journal*, Jan. 20, 1978.

Beneficent Speculators

People who speculate in commodities have taken a bum rap for too long. Frequently blamed for creating wild price swings and driving up prices in times of shortages, speculators actually do just the opposite. Economic theory can demonstrate why this is so. But politicians who find speculators to be handy scapegoats have long ignored economic theory. Perhaps they will be less able to ignore the results of several new studies which support the theory's conclusions.

The basic idea is to test whether a particular futures market is "efficient" in transmitting new market developments to all participants. An "efficient" market, much like the classical model of "perfect competition," is one in which no single participant can significantly affect prices, and in which prices can move freely in any direction. Economists can test for this condition by seeing whether successive price movements are in the nature of a "random walk."

One economist who has studied commodity markets is Stanford's Holbrook Working. His studies of numerous cases indicate "overwhelmingly that futures markets are highly efficient." Adds Harvard's Hendrik Houthakker, "They come as close to perfectly efficient markets as we are likely to get in the real world." This means that speculators, acting through futures markets, actually help stabilize prices by making use of new information almost instantaneously. This allows the market to adjust more rapidly to supply and demand changes, reducing the size of potential shortages or surpluses.

Studies of particular commodities provide further evidence. Economist Roger Gray of Stanford examined the

1973 runup in agricultural commodity prices and found that speculators on the whole were short, not long, during that period. "Rather than contributing to the runup in prices, they helped contain it," concludes Gray. Ronald Ward of the University of Florida found that the greater the amount of speculation in orange juice futures, the smaller the spread between near-month futures prices and actual market prices. Yet another study, by Gray and Working, examined onion prices during 10 years of futures trading (1949-1958), compared with prices before trading began and after it was banned by Congress in 1958—for allegedly causing "price distortion." The result? Onion prices made wider swings when there was no futures trading; trading also significantly reduced the sharp adjustments that occur at the end of a marketing season.

Yet politicians continue to attack speculators. "The critics are putting the cart before the horse," concludes economist Thomas A. Hieronymous of the University of Illinois. "It's not the increased use of futures markets that has caused price stability, but increased instability that has inspired greater use of the futures markets."

SOURCE:
• "Stability in a Swinging Market," *Business Week*, Aug. 8, 1977, p. 70.

Laissez-Faire TV

Leave television to the unregulated marketplace and what do you get? A least in Italy, sex and nudity. In Church-dominated Italy, there appears to be a huge untapped market for sexy shows. Consequently, many of the 150 private TV stations which have arisen in the last few years (since the State broadcast monopoly was ruled unconstitutional) are cashing in on this demand. Two of the most popular shows in Turin are a strip-tease amateur hour and "Strip Quiz," in which a model removes one article of clothing every time a viewer phones in a correct answer. Others include nude exercise shows, sex questions and answers, and X-rated movies (which are seldom available in Italian theaters).

In order to receive the private stations viewers must purchase a special $40 antenna. Regular Italian TVs can receive only the State-run RAI-TV. Thus, only those who *want* the new channels can be "exposed" to them. Appliance stores reported antenna sales up 70 percent in the last quarter of 1977. Private stations claim their share of the market is growing rapidly. And to bolster its shrinking market share, RAI-TV is adding nudity and sexier films to its own programming.

Thus far the Italian parliament has paid no attention to the situation. Its members are far too concerned with weightier issues, like forming a government that can survive more than six months. Thus, Italy's laissez-faire TV industry continues to boom.

SOURCE:
• "Private Italian Stations Broadcast Nude Fare," Jack R. Payton, UPI (Rome), Dec. 26, 1977.

Ads Spur Medical Competition

One by one the prohibitions against advertising—and therefore against price competition—by medical professionals are falling. Some of the more recent developments include the following:

• New York State has repealed its broad ban against advertising by professionals in all fields.

• California has removed all State restrictions on advertising by health professionals: doctors, dentists, pharmacists, nurses, dental hygienists, etc.

• The attorney general of Virginia has issued an opinion that the state's ban on dental advertising violates the US Supreme Court ruling overturning the ban on lawyer advertising.

• The American Dental Association's

MOVE OVER SHERLOCK HOLMES, HERCULE POIROT, MISS MARPLE AND RABBI SMALL! MAKE WAY FOR HENRY SPEARMAN, ECONOMIST, THE SEASON'S MOST COMPELLING NEW SLEUTH, WHO USES FREE MARKET ECONOMICS — —

to unravel a tangled web of murder, mystery and intrigue that grips one of the Caribbean's most famous resorts.

This cerebral thriller will supply as many surprises as you can demand

MURDER AT THE MARGIN

a libertarian murder mystery

by Marshall Jevons

$7.95 from the publisher

Thomas Horton and Daughters
22 Appleton Place
Glen Ridge, New Jersey 07028

Publisher of Milton Friedman: An Economist's Protest

"At last a new kind of mastermind—a rational *homo economicus* and libertarian. If Henry Spearman had not existed, God would have had to invent him. Marshall Jevons did to his readers' benefit." ... *Paul A. Samuelson*

House of Delegates has voted to advise local affiliates to stop imposing sanctions against members who advertise.

The reaction to these developments among medical professionals is mixed. Some, like the California Medical Association, are stoutly resisting the trend. The CMA (like its parent American Medical Association) still plans to expell members who advertise, despite the Federal Trade Commission suit against the AMA on precisely this issue. By contrast, the ADA appears to see the handwriting on the wall and has moved to keep in step.

Indeed, there are signs of growing price competition in dentistry. In Silver Spring, Maryland, Dr. Daniel Maloof has received a lot of publicity for advertising cut-rate denture services. Likewise, dentists and dental technicians in Arizona are competing for the denture business, with prices already cut from $600 to about $350 for a set of upper and lower plates. Local dental association officials support ads by dentists trying to meet the competition from technicians. Dr. Sidney Wolfe of the Citizens Health Research Group in Washington supports dental advertising as a welcome step towards more such competition in dental services.

More chapters remain to be written, but as of now the trend is clearly toward more advertising—and more real price competition in health care.

SOURCES:

- "Amid the Gnashing of Teeth, Dentists Start to Advertise," *Wall Street Journal*, Nov. 30, 1977.
- "Medical Ad Ban Removal Gets Quiet, Ho-Hum Reception," *Santa Barbara News-Press*, Dec. 6, 1977.

Apartheid: Bad for Business

South Africa's policy of legally imposed racial segregation—apartheid—has come under attack from white business leaders in Johannesburg. The city's recently formed Central Business District Association is asking the central government to declare Johannesburg an "open city"—i.e. to allow any business to open its doors equally to people of all races.

The business owners' motivation is primarily economic. Seven out of 10 people living within 15 miles of city hall are black, and the city is already considered South Africa's most cosmopolitan. Most stores are already open to black shoppers, but restaurants, theaters, and toilets are still segregated by law, unless the owner can obtain a special permit—a cumbersome, time-consuming process. The result is a loss of black business in the entire area.

Until the Association can achieve its "open-city" goals, it is helping individual owners to apply for permits. So far 30 restaurants have applied for permits to go multiracial. The Ster-Kinekor Films chain of movie theaters wants to go multiracial "to help the box office take." A number of hotels want to join the few "international" hotels allowed to take blacks as tourists.

Even in less progressive Durban, Cape Town, and Pretoria a number of restaurant owners are pressing for multiracial status. The rising number of blacks seeking (and able to afford) service makes continued segregation a money-losing proposition. Gradually, the inexorable force of (dare we say it?) self-interest is chipping away at the absurd anachronism of apartheid.

SOURCE:

- "Businessmen Seek Black Customers," Jack Foisie, *Los Angeles Times*, Dec. 29, 1977.

OSHA Loses Two More

The Occupational Safety and Health Administration, bane of businesses across the country, has lost two more court cases, both of some significance.

In Alaska the state Supreme Court ruled that an OSHA inspection of a business without a search warrant is an unconstitutional search. The case was decided under the Alaska Constitution. Article I, Section 14 of that document contains an even broader protection against search and seizure than the US Constitution, to wit: "The right of the people to be secure in their persons, houses, *and other property, papers, and effects,* against unreasonable searches and seizures, shall not be violated." In ruling against OSHA the Alaska court agreed with the judgement of a federal district court in Idaho (the Barlow case). That case is now pending before the US Supreme Court.

The other decision limits the extent to which OSHA can order companies to make costly changes. The US Court of Appeals in Chicago has ruled that OSHA must weigh the costs of a proposed change against its alleged safety or health benefits, before deciding whether or not to impose it. The case concerned OSHA's attempt to force Turner Division of Cleanweld Products to install $30,000 of equipment to reduce noise below 90 db—a result the company said could be achieved by using earplugs. The court agreed, and OSHA is not expected to appeal. The decision was the first time the agency has been forced to consider the cost of a proposed regulation.

SOURCES:

- "Woods & Rohde, Inc. vs. State of Alaska," Supreme Court of Alaska, File No. 2903, June 2, 1977.
- "A Court Orders OSHA to Consider Economics," *Business Week*, Oct. 3, 1977, p. 47.

Usury Laws Abolished

California's 1934 law imposing a ceiling of 10 percent on the annual cost of certain types of loans has been declared unconstitutional. Los Angeles Superior Court Judge Lester E. Olson found that the laws violate the interstate commerce and due process clauses of the US Constitution. By prohibiting insurance companies, mortgage bankers, and out-of-state banks and S&Ls from making loans when market interest rates exceed 10 percent, the law violates those firms' and consumers' right to do business. During 1974, the judge pointed out, "millions of dollars" in loans were not made available because of the usury laws.

Predictably, California's principal banks, which have always been exempt from the usury laws, filed friend-of-the-court briefs urging that they be upheld. It was their competitors, mainly the large insurance companies, which banded together as the Committee Against Unfair Interest Limitations and filed suit. California banks may legally charge up to 30 percent on certain types of loans. "How can one justify the fact that Prudential Life Insurance Co. ... can't lend $4 million to a creditworthy California corporation at 10.5 percent, whereas the Bank of America...can lend the same amount to the same corporation at 10.5 percent?" the judge asked. The law does not permit such "unequal treatment of the two groups of lenders," he ruled, in striking down the laws.

SOURCE:

- "Judge Lifts Loan Rate Ceiling," Roger Smith, *Los Angeles Times*, Feb. 8, 1978.

Milestones

- *Dolphin Lib Fails.* A graduate student who released two experimental dolphins to the ocean has been convicted of grand theft in Hawaii. Kenneth Le Vasseur argued that "human beings have no rights to hold intelligent, feeling beings like dolphins in captivity." Thus inspired, Le Vasseur, then an employee of the University of Hawaii Institute of Marine Biology, removed the two dolphins from their tanks and dumped them into the sea. Le Vasseur and his colleague (who has not yet been tried) were supported in court by Greenpeace, an environmentalist group which issued a "declaration of dolphin rights" during the trial. But the jury remained unimpressed. (Source: *Science*, Jan. 6, 1978, p. 37.)
- *Profs Back Capitalism.* It may seem

hard to believe, but 81 percent of American college professors agree that "the private business system, for all its flaws, works better than any other system devised for advanced industrial society." And 69 percent agreed that "the growth of government in the United States now poses a threat to the freedom and opportunity for individual initiative of the citizenry." Not only that, but 54 percent believe that "economic growth, not redistribution, should be the primary objective of American economic policy." These findings come from survey of 4400 professors conducted by Everett C. Ladd, Jr. and Seymour M. Lipset of the Hoover Institution. Perhaps there's hope for higher education after all. (Source: *Wall Street Journal*, Jan. 16, 1978.)

• *Workers, Unite!* A group of Russian workers, fed up with the State's official trade union, are risking their jobs and lives by forming an independent trade union. Some 200 workers in Moscow have joined the Trade Union for the Defense of Workers—the USSR's first independent union. Similar efforts have begun in Rumania and several other Eastern European countries. Last summer Rumanian coal miners carried out that country's first strike since the Communist takeover three decades ago. (Source: AP (Moscow), Jan. 27, 1978.)

• *Prostitution as Recreation.* A New York Family Court judge has ruled that the state's prostitution laws unconstitutionally make criminal an activity that is essentially recreational. Not that that's such an unusual position. But Judge Margaret Taylor is drawing criticism because the prostitute in question was a 14-year-old girl. Judge Taylor's chain of reasoning, however, is impeccable. Adult prostitution, she held, is allowable due to the constitutional right to privacy clearly established in prior cases. But an act that is not a crime if committed by an adult can no longer be considered an act of juvenile delinquency, according to much recent thinking, legislation, and case law. Ergo...case dismissed. (Source: AP (New York), Jan. 26, 1978.)

• *Toward Postal Freedom.* While Congress debates putting politics back into the management of the government's postal service, and greatly increasing the annual subsidy, a voice of sanity has been raised. The *Wall Street Journal* has joined those urging one simple change that could make a big difference. In a recent editorial, the *Journal* called for repeal of the Private Express Statutes, those nasty laws that make it a crime to compete with the US Snail in delivering first class mail. As the editorial concluded, repeal "would be a big step toward solving the postal problem." (Source: *Wall Street Journal*, Jan. 10, 1978.)

• *Veto Postal Service.* "We don't want to take the risk" of losing more vital mail. "Our last two mailings we sent by United Parcel Service." The head of a corporation? No, the speaker is Kenneth Duff, senior staff officer at the Department of Agriculture. Duff's decision came after the Postal Service inadvertently destroyed 1400 letters containing important field survey results. Though packed in cardboard boxes capable of withstanding 90 lbs. and sealed with glass-fiber tape, the boxes were destroyed by mechanical bulk sorting equipment. "They don't mess around in Washington when they destroy mail," said Duff. (Source: *Newsday*, Nov. 6, 1977.)

• *Deregulated Gas.* At least one form of natural gas may soon be deregulated, in order to spur production. Methane found in coal mines, which could provide 250 trillion cu. ft. of recoverable gas, would be free of price controls, according to a recent proposal by the Federal Power Commission. Currently this gas is being vented or flared, since it is a hazard to miners. Existing controlled prices make recovery of the gas uneconomical. (Source: "FPC, In Bid to Bolster Sales of Methane, Proposes Deregulation," *Wall Street Journal*, July 11, 1977.)

This column reports trends in the advancement of liberty and economic freedom.

50 PERCENT RETURN

For years, many investors have been earning a 50 percent return on investments, and often much more.

How do they do it? By investing in silver, gold, grains and the many other commodities traded on the international markets every day. Unfortunately, the financial and risk requirements for such ventures have been, until now, greater than most people could comfortably handle. And the successful investor has almost always had years of experience in commodities, and the time to constantly monitor daily trading activity.

But now, with the resources of a company with an impeccable 140-year international business record in world commodities, SNW Commodities Ltd. gives the investor with limited venture capital the opportunity to net extraordinary gains in commodity futures trading with a completely limited risk.

The SNW Managed Account program has a performance record of consistently high profits. What's more, no SNW Managed Account has ever generated a margin call. Does this mean we can guarantee you will never receive a margin call? Yes, it does. We can and we do. In writing. *We're that sure of our program.*

For more information concerning this unique investment program, simply fill out and mail the following coupon.

SNW COMMODITIES LTD. 1050 Northgate Drive, Suite 444 San Rafael, California 94903

MEMBERS:
INTERNATIONAL COMMODITY CLEARING HOUSE
NEW YORK COMMODITY EXCHANGE (COMEX)
NEW YORK SUGAR AND COFFEE EXCHANGES
NEW YORK COCOA EXCHANGE
GAFTA SOYBEAN MEAL FUTURES ASSOCIATION
UNITED TERMINAL SUGAR MARKET ASSOCIATION
LONDON COCOA TERMINAL MARKET ASSOCIATION
COFFEE TERMINAL MARKET ASSOCIATION OF LONDON
LONDON WOOL TERMINAL MARKET ASSOCIATION
LONDON GRAIN FUTURES MARKET
LONDON RUBBER TERMINAL MARKET ASSOCIATION
ALL PARIS COMMODITY EXCHANGES
OFFICES: *London Paris Geneva Frankfurt Kuwait*

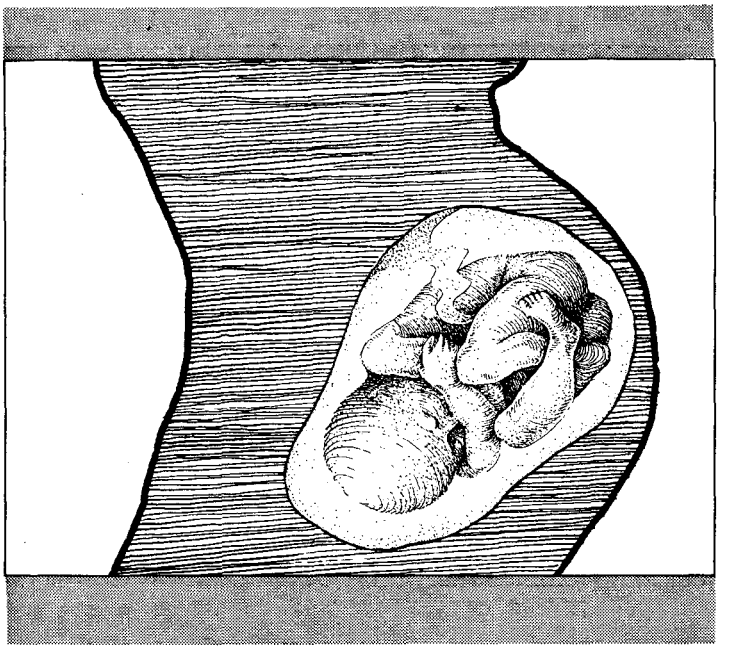
Please send me a free copy of your booklet on "SNW MANAGED ACCOUNTS"

Name_____
Address_____
City_____ State_____ Zip_____
Home Ph._____ Business Ph._____

WOMAN and FETUS:

Rights In Conflict?

The author of Defending the Undefendable reaches some unexpected conclusions.



by Walter Block

THERE ARE, PERHAPS, more serious problems than abortion facing our society, but there are none which raise such grave philosophical problems or so greatly threaten to tear our society apart. In all other cases—war, inflation, unemployment, nuclear proliferation, pollution—we all agree at least to the extent of opposing the threat. Where are the *proponents* of war, sickness, disaster? There may be little agreement as to the best means of eliminating the danger or of the proper trade-off between one evil and another, but at least there is no support for the menace itself.

The situation with respect to abortion is different. Here, two groups are arrayed against each other, with irreconcilable positions on *ends*, not just means. Each takes an explicitly ethical stand and holds the other guilty of severe criminality.

On the one hand are those who would

legalize abortion on the ground that women have the right to control what grows in their bodies. On the other hand are the antiabortionists, who consider the practice to be first-degree, premeditated murder. One would have to go back to the days of the proslavery and antislavery movements of the first half of the 19th century to find a public issue even remotely as vexing. And we all know the result of that controversy. It therefore behooves us to search mightily for ways to make peace between these seemingly irreconcilable positions.

What is the best way to approach the bewildering maze of arguments in which the philosophical controversy is shrouded? The answer is: from a perspective consistently based on human rights, justice, and liberty—the libertarian philosophy. In what is to follow, then, I intend to state the fundamental axiom of this perspective, set forth several obvious facts about fetuses, and *deduce* from these few premises some conclusions about abortion.

The basic libertarian postulate is that it is improper to threaten or commit violence against a person or his property unless he himself is an initiator of such violence. In other words, one may legitimately use force only defensively, or in retaliation, but not otherwise. Human rights to one's own person and to one's own property (property rights) are sacrosanct. They are, or rather ought to be, free from any and all interference.

With these basic postulates in mind, let us consider some relelvant facts.

WHAT IS A FETUS?

1. The fetus is a living human being.

The fetus is *alive*. If cut, it bleeds. If bludgeoned, it dies. If left unmolested, it takes in oxygen, imbibes nutrients, and performs other biological functions. It satisfies every existing criterion for "life."

And surely the fetus is *human*. Well, it's not a *chipmunk* or a *racoon* or a *giraffe*, is it? What else could it be, if not human? The conclusion is clear: the fetus is an alive human being. Killing a fetus is therefore murder.

What of the position, held by many proabortionists, that the fetus is a potential, but not an actual, human being? This is a view easier to state than to defend. If it is claimed that something is a potential x, as opposed to an actual x, it must be shown why and in what way the thing is not an x *now*. This the proponents of the position have not done. Indeed, they cannot.

Is the fetus only a potential human being because it is helpless and unconscious? But then sick or comatose adults would not be human beings either. Is the fetus only a potential human being because it is small, frail, and weak? But then midgets could not be considered human. Is it because the fetus is a "parasite," completely dependent on its "host" for sustenance? But the same can be said for many hospital patients, who are obviously alive. Is it because the fetus is *inside* and completely dependent upon an "artificial" (what could be more natural) environment? Then what of all the people who could not exist outside of and apart from oxygen tents, Kidney dialysis machines etc? And what about premature babies and hemophiliac children who cannot live outside of their specially constructed environments?

The fetus is not a *potential* human being; it's an *actual* one. This goes for the fetus right before birth, six months before, three months before, three weeks before; and if strict cognizance be taken of logic, the fetus is human life, a human being, immediately after fertilization, in the two-cell stage of development. (Before this, of course, there is no human life; there are only two separate cells, the egg and the sperm. This is why contraception is not equivalent to killing a human being.)

2. The fetus that issues from rape has the same rights as any other fetus.

In discussions about abortion, exceptions are commonly made for rape cases. It is claimed that when pregnancy takes place as the result of forced intercourse, abortion is justified.

This line of argument entirely misconstrues the problem. The question of abortion is entirely one of settling the seemingly conflicting rights of the mother and the fetus. The father is irrelevant! It does not matter one whit *how* the baby was conceived—voluntarily or involuntarily. Every fetus, no matter how created, is a living human being.

There is no rational or humane way to distinguish between them, allowing some to live and others to be killed. Logic, then, compels us to conclude that the fetus conceived in rape has as many (or as few) rights as any other. A correct view of abortion must consider the rights of *all* fetuses as equal.

A CASE OF TRESPASS?

3. The fetus may be a trespasser.

Suppose a Karen Ann Quinlan suddenly materializes in someone's living room, comatose and helpless. All the "authorities" are called, but no one is willing to take her away. What rights, duties, obligations, responsibilities fall upon the host?

Given our basic axiom, the host has no positive obligations to come to her aid. Now it may be nice, it may be "the only decent thing to do," but the host is not *duty*-bound to provide sustenance. This follows from the premise that each person is sovereign, owing *nothing* not voluntarily agreed to (except, of course, for the obligation not to initiate violence, which applies to each of us whether or not we have consented).

This might seem excessively cruel. After all, Ms. Quinlan is in need of help. Nevertheless, the host has no obligation to help her. If anything, the host should be the *least* liable member of society; for he has *already* made a contribution: *his* house has sheltered her, and is continuing to do so, while a decision is being made about what to do with her; no one else has contributed *anything* (except perphaps for griping that the owner of the house should continue to support her). Suppose the comatose person clings to life for decades. Would the host have to feed and care for her until she dies a natural death? Suppose he can't afford the expense. Is he criminal? No. However important human life is, no one is rightfully incarcerated for failing to come to the aid of the helpless. One may only be jailed for *attacking* innocent people.

Judith Jarvis Thompson, in the Fall 1971 *Philosophy and Public Affairs* made a similar point.

> In some views, having a right to life includes having a right to be given at least the bare minimum one needs for continued life. But suppose that what in fact *is* the bare minimum a man needs for continued life is something he has no right at all to be given? If I am sick unto death, and the only thing that will save my life is the touch of Henry Fonda's cool hand on my fevered brow, then all the same, I have no right to be given the touch of Henry Fonda's cool hand on my fevered brow. It would be rightfully nice of him to fly in from the west coast to provide it... but I have no right at all

(*Continued on p. 24.*)

It's a Matter of LIFE and DEATH

Abortion advocates are engaged in a particularly nasty bit of semantic sophistry.

by Karl T. Pflock

OF LATE, THE ABORTION issue has taken stage-center in libertarian discourse, overshadowing, at least for the nonce, the great limited-government versus anarchy debate and other perennials. This is not surprising. After all, abortion goes to the heart of libertarian concerns: the individual and his rights. It is a matter quite literally, of life and death.

Unfortunately, the whole debate has become badly muddled, and more heat than light has been generated. The two contending camps, the proabortionists and the antiabortionists (or prolifers) have, it seems, made a fundamental error. Each has committed itself to its particular preference on the issue and then gone back to gin up some sort of philosophical justification for its "bias of

choice."

Let us examine the question as dispassionately as possible. Let us see if a clear case can be made for or against abortion.

To do this, we must begin with the fundamental precept, the one philosophical postulate (sometimes it seems the *only* one!), accepted without reservation by all those committed to liberty—the nonaggression principle: under normal circumstances, it is improper for any person to *initiate* the use of force—threatened, actual, or implied (e.g., fraud)—against another person. To put it another way, force may not properly be used against one's fellows except in self-defense.

If abortion violates the nonaggression principle, it must be condemned. If not, it is strictly a matter of choice governed by individual inclination. We may think it barbaric, we may shun those who sanction it, but we cannot condemn it as contrary to libertarianism.

WHENCE PERSONHOOD?

So. Does abortion violate the nonaggression principle? To answer this question, we must first answer two others: Are the unborn "persons"? If so, are they aggressors?

Just what is a person? A common answer is that a person is an entity with a capacity for reason and choice. At this point in history, the only such entities known to us are human beings, members of the wildly improbable species *Homo sapiens*. But are all human beings persons?

There are those who argue that some of us are more equal than others when it comes to "personhood," that some level of "actualization" of the capacity for reason and choice must be achieved before one can join the club and thus be entitled to protection under the nonaggression principle. There is little agreement, however, on the qualifying level of actualization. And therein lies the rub. Who decides how high the "dues" will be? Who establishes the criteria by which one shall be judged? Can there be any objective standard?

Some will say that when reason is obviously manifested in purposeful action (action based on choice), personhood blooms. But what is "obvious" to one is not obvious to another. Others may hold that mere purposeful action is not enough, that "right" choices must predominate. But what is a right choice? On myriad matters, one man's "rightness" is another's "wrongness."

Another faction may argue for the construction of "objective" tests of IQ and such. Still others may opt for more rough-and-ready criteria: race, social standing, economic status, political/philosophical preference, biological development. (An example of the latter is, "Fetuses / embryos / blastocysts / zygotes are only 'prepersons.'" This term appears in the title of Phillip K. Dick's powerful and controversial novelette "The Pre-Persons," in the *Magazine of Fantasy and Science Fiction*, October 1974.)

But suppose for a moment that there is some generally acceptable standard of what it means to be a person. What happens if a "person," through accident, illness, or what have you, looses his "standing," can no longer actualize his native capacity for reason and choice? Does he cease to be a person? And who decides?

A little thought makes it obvious that any attempt to classify human beings as "persons" and "others"—the former protected by the nonaggression principle and the latter fair game—is doomed to failure. Such distinction making is a Pandora's box of social and ethical ills. One need only consider Nazi Germany, the Soviet Union, Lebanon—and "affirmative action" in the good old USA—to see where it leads. We are entitled to our quirks, but we are not entitled to use them as justifications for aggression.

The only safe bet is to accord every member of our madcap race the status of "person," no matter what his stage of life and development. (An argument similar to the above is presented in Doris Gordon's "Abortion and the Question of the Person," distributed by Libertarians for Life.)

HUMANKIND

It has been suggested by many who seek to justify their proabortion views that the unborn are not human beings, not individual members of the class *Homo sapiens*, not persons. They argue that the unborn are, at most prepersons—mere parts of or biological adjuncts to their mothers' bodies, parts that do not acquire true individuality, personhood, and the protection of the nonaggression principle until after birth. Since this is so, the argument goes, an unborn child can be disposed of at the mother's discretion without doing violence to the nonaggression principle. After birth we are human beings, persons; before birth we are merely "lumps of protoplasm."

If this were so, it would certainly make things easier. It is not so, however. From the moment of conception, the unborn is a *new life*, a unique individual and a member of a species having the capacity for reason and choice. A human being. A person. In his *Freeman* article (August 1972), Thomas L. Johnson, a professor of biology and chordate embryology, explains:

> Human life...has its beginning (*is viable*)...when the necessary genetic information, half coming from the father and the other half from the mother, is brought together by the fusion of the released sperm and egg to form the single-celled zygote. This individual organism cannot be a part of the mother (it has an entirely different set of chromosomes), but is a separate and unique human life.

True, at this stage and throughout the nine months of gestation (and, for that matter, a long while after) this new person can only survive via a dependent relationship with another. (This is *not* a parasitic relationship. Biologically, a parasite is an organism of one species that lives on or within an organism of *another species* from which it draws sustenance.) It must remain within the mother's womb or an equivalent environment. But this, as Johnson argues, is a normal stage in the process of human life, roughly similar to the nymphal stage in the development of many insect species.

> Metaphysically, by its nature, every new human life *must* spend the first months of its existence in an aquatic environment, within the amniotic sac, if it is ever to experience a later stage of human existence. No human life has ever bypassed this requirement, or ever will—at least not for many millions of years, if then, considering the present rate of evolution. Every new human life must also have first been a zygote, then an embryo, and finally a fetus before it is prepared to live outside the fluid medium. To contend that human life is only human at the time of birth, that the intrauterine entity is not an actual, but only a potential human being, is untenable.

For those who insist that human life

(Continued on p. 26.)

ARASITE ○ PERSON, POTENTIAL OR PARASITE ○ PERSON, POTENTIAL OR PARASITE ○ PERSON,

The MORALITY of NON-INTER-FERENCE

Rational self-interest provides a means of resolving the abortion dilemma.

by Tibor R. Machan

SHORTLY PRIOR TO THE 1976 presidential election the *Wall Street Journal* observed that, whatever waffling candidate Carter was guilty of, no one could fault him for being undecided on the issue of abortion. The problem is so complicated, reasoned the *WSJ* editorial, that Carter's indecision could be the best stance to take.

A short time later, the *Journal* took up the issue again, this time presenting pro and con essays from a biologist and a representative of the humanities, the former defending, the latter opposing abortion. What is important about these essays is that the author defending abortion openly eschewed any moral issues, while the opponent made what he explicitly construed to be a moral case against interference with pregnancy.

These essays were typical in this respect. Supporters of abortion rights tend, in the main, to insist on various technical issues—the beginning of life, the poverty of the would-be parents, the *political* right of a woman to her body, etc. In contrast, most antiabortionists make their case in terms of such notions as the sanctity of life, the right to life, or the sacred, divinely bestowed goals of mankind. While proabortionists include some vague references to moral matters, these tend to emphasize such uninspiring factors as the avoidance of suffering, the enhancement of the pleasures of the would-be parents, the decrease of poverty, and population control (so that, a few years ago, Joe Sobran of *National Review* could plausibly condemn the proabortionists as nothing but crass hedonists, without any moral standing). The antiabortionists,

however, appear to carry considerable moral force because in the long tradition of Western morality, self-renunciation, self-sacrifice, and the avoidance of pleasure for the sake of "higher spiritual goals" are very noble and inspiring.

Now, there is a moral case to be made, not for abortion per se, but for the right of women or couples—would-be parents—to obtain abortions. (This has nothing to do with the current controversy over the alleged right of women to have desired abortions provided for them, for example, by government funding if they lack the financial means to obtain this variety of medical care.) So this is a moral case against prohibiting people from obtaining abortions.

It can be seen that the argument for this right depends on a general argument for any human being's right to take those actions which will contribute to his or her happiness, and to determine which are those actions, provided that the actions will not infringe on the comparable right of any other human being. More specifically, at issue is the right of human beings to destroy living entities that are not persons, that are part of them, or that they own. This is the *moral* case for the right to obtain an abortion, but it clearly depends on other things. At this point, the nonmoral issues most often focused on by so-called proabortionists become important—Is the embryo or the fetus a person, a human being?

To deny that the embryo or the fetus is a person is not to deny that it is a *human* fetus or a *human* embryo—contrary to the implication of Dr. Thomas Johnson's antiabortion-rights essay in the August 1972 *Freeman*. For one can acknowledge that something is a human embryo without admitting that it is a full-fledged human being or person. To identify a human bone—or human hair or a human thumb—is not yet to identify a human being or person.

A human being or person is an animal with at least the latent capacity for rational thought and choice. It is this being that possesses human dignity, the capacity for being/becoming morally excellent or morally evil. It is this being that can, at least at a minimum level of complexity, start to think, form ideas, guide itself by the use of those ideas, and be responsible for having formed ideas badly and having guided itself by the use of bad ideas.

Embryos, and fetuses, until late in their development, are nowhere near capable of anything like this. They have the *potential* to become capable of it, of course, provided their development is not interrupted. This distinction may be appreciated by thinking of the analogous (but not identical) development of fruit-bearing trees. The seeds have the potential to become things capable of bearing fruit, but the seeds do not themselves possess this capacity. So they are not among the *fruit trees* that exist in nature. Small plants or saplings are different. They are at the starting point of being fruit-bearing trees. They are no longer just potential fruit-bearing trees; they are young ones of this sort of tree.

The same general story holds for human development. The human embryo is not a human being, although it has the potential to become one. An infant or child is a young human being, beginning to be capable of thought, choice, and moral achievement or failure. A problem indeed arises because, at some point in its development, at some stage of pregnancy, a fetus turns into an infant in the important respects mentioned above. In short, there is a transition or grey area.

Yet this is by no means unique for our issue—it is true about the identity of any class of things, animate or inanimate. Some rocks come close to being sandpiles; some chairs are almost sofas; some asteroids are almost planets; and some stools are almost tables. Moreover, some defective entities are quite properly identified, with the appropriate qualifications, as the entities they would normally be—for example, broken chairs, crucially incapacitated human beings (vegetables), books with missing pages. The difficulties associated with identifying borderline cases are neither unique to the area of human development nor devastating for our general capacity to identify what things are.

The account that appears to make the best sense of the facts of human development is that embryos, and fetuses until late stages of pregnancy, are not human beings. They are potential human beings. Might it not be the case, however, that potential human beings have rights that outweigh the strongest considerations their would-be parents could have for destroying them? To answer, we need to return to the issue of human rights, to consider what sort of moral framework backs them up. If human rights do exist within a moral framework that is sound, then the moralistic stance taken by many antiabortionists can be shown to be far less than secure.

Those who defend a couple's right to obtain an abortion are usually assuming a secularist moral tradition that tends to be utilitarian. The rallying cry here focuses on producing desired consequences and avoiding undesired ones. There is an alternative secular approach, however, which is not utilitarian or hedonistic. It is the morality of rational self-interest: human beings should use the means at their disposal—fundamentally, their capacity for thought and choice—to enhance their own lives, to pursue their own happiness.

The idea here is as old and as rich as the Greek tradition. It is suggested already by Aristotle in the *Nicomachean Ethics*, where he describes the person acting in his rational self-interest, the person who is truly a "lover of self," as one who is "always anxious that he himself, above all things, should act justly, temperately, or in accordance with any other of the virtues, and in general [is] always to try to secure for himself the honorable course." Such an ethic does not exclude considerations of well-being, economic advancement, or pleasures but accords them less moral significance than would utilitarian doctrines.

It is in terms of the morality of rational self-interest that the rights to life, liberty, and property can be soundly defended. Human beings have these rights because they should live so as to further their own happiness, and it is the proper function of a legal system to protect and preserve these rights. When the exercise of these rights would conflict with some other value, the legal system of a good human community must give precedence to the exercise of those rights. In our case, a person's right to pursue his or her own life sometimes conflicts with the value of a potential human being developing into a young human being. Then, it is the rights of the actual person that must be protected, not the conditions of such development.

None of the above is an advocacy of abortion—such advocacy in general would be virtually impossible. It would be just as wrong to consider the above a case for abortion as it would be to regard an advocate of First Amendment rights as someone who thus favors avant-garde literature, obscenity, the *New York Times'* editorials, or the publication of

anti-First Amendment essays. People can exercise their rights wrongfully. This point is important because it admits the possibility of moral objections to abortion without granting that anyone, including the government, would be justified in preventing it for others. For it may well be true that a number of couples who obtain abortions should not do so. But in the light of a sound theory of human rights, it would not be proper for others to prevent the sought-after abortion, to interfere with the decision of the couple to prevent the prospective birth of a child.

We can admit the possibility of moral objections to abortion without granting that anyone would be justified in preventing it for others.

Finally, something more must be said about the grey area of borderline cases. The best solution to this problem is probably to provide a forum for debate. Given the seriousness of what is at stake, the courts—the judicial system—would seem to be the appropriate forum. When someone believes that a planned abortion could involve the killing of a human being—for example, at a very late stage of pregnancy—it might be appropriate to ask for a hearing on the matter. The various categories of law, such as probable cause, could justify the issuance of injunctions. To wait so long with the decision about sustaining the fetus skirts the danger of having the decision slip out of the couple's rightful sphere of authority. In short, when the abortion is plausibly turned into the killing of a young human being, the law has a proper role in the proceedings. But not before that. ◻

Senior Editor Machan is a frequent contributor to REASON.

Block

(*Continued from p. 19.*)

against anybody that he should do this for me.

> . . . having a right to life does not guarantee having either a right to be given the use of or a right to be allowed continued use of another person's body—even if one needs it for life itself.

So what should the host do? He is not obligated to care for the stricken person. But neither may he kill her. If other people are willing to accept responsibility for the victim, the host may notify them. If there is an equivalent of the "church steps" or the public meeting place where unwanted babies are commonly left for people to pick them up, our homeowner may carry the victim there. May he tie her to his car and drag her along the road? Is he allowed to stab her or slit her throat? No. Even though the victim is dying and may not survive the trip in any case, the host may do none of these things; for they are *murder*, and murder is not permitted under the libertarian code. What he can do is to transport her to the "church steps" or the modern equivalent *in as gentle a manner as possible*. He is not required to keep her alive, but he may not kill her.

Notice that this argument is not based in any way on the so-called *right to life*, Professor Thompson notwithstanding. The victim has no such right, I contend; nor does anyone else. There *are* rights to *liberty* and to the *pursuit of happiness*, but there is no right to life itself. A Robinson Crusoe who has the misfortune of being shipwrecked alone on a desert island and starves to death there has not had any of his rights violated. He had no right to life in the first place. If he did, and was accidentally shipwrecked and starved to death, then all the rest of us are guilty of *murder*. For every right implies an obligation. If anyone has a right to life, then everyone else has an obligation to keep that person alive. If we do not do so—if he dies, for *any* reason, including *old age*—we are guilty of violating his right—we are guilty of murder.

We must always distinguish between the *means* to live or to live well—which goes under the contemporary misnomer "economic freedom"—and not being interfered with in one's attempt to live well—political freedom. While every person has a right to the latter, the former—"freedom from want"—is not a right at all. To acknowledge it as a right would be equivalent to compulsory socialism, where everyone is forced to be the guarantor of everyone else's well-being. And if "right to life" is interpreted etymologically as "freedom from death," it becomes even more irrational and incomprehensible.

What does all this have to do with abortion? The fetus, if uninvited and unwelcome, is to the pregnant woman what Karen Ann Quinlan would be to the homeowner: a trespasser. If the homeowner and the pregnant woman volunteer themselves as ongoing caretakers and as hosts, then Quinlan and the fetus are treasured guests; but if unwelcome, they are both trespassers.

INVITED TRESPASSERS

Now many people might accept this characterization when applied to an adult Karen Ann Quinlan. Although unfortunate, she *is* an unwelcome guest, especially if she just materializes in someone's living room. But the fetus, it will be objected, is *different*. Let us consider the following criticism: "O.K. I agree. There are no positive obligations incumbent upon people unless first voluntarily agreed to. There are no rights to life. Fine. But didn't the woman who voluntarily engaged in sexual intercourse explicitly, or at least implicitly, *agree* to bear the child, at least for the term of pregnancy? How can the fetus be a *trespasser*, for goodness' sake, when the woman *invited* it into her womb by voluntarily taking part in the sex act, *knowing* that one of the likely effects of such activities is pregnancy?"

This objection will not stand up, for it introduces a double standard that is insupportable, a standard based on considerations extrinsic to the fetus itself. The morality of abortion must be decided on the basis of the nature of the fetus and of pregnancy, not on the basis of how it came into being. We have shown that all fetuses are, morally speaking, on the same level. Regardless of the circumstances of their conception, they are all alive and human. Therefore, they have the same rights. Thus it is moral nonsense to claim that a fetus conceived by rape may be killed while a fetus conceived by voluntary sex may not.

No, we will stand by our position. Since fetuses are dependent on the owners of the wombs in which they reside, they derive their status from those owners' attitudes toward them. If the owners (mothers) do not want them, they are trespassers; it doesn't matter whether

or not they were invited in the first place. The woman, like the homeowner, has the final say and is not obliged to provide long-term sanctuary. A guest may be asked to leave. A fetus may be removed.

This does not mean that a person may invite someone out for an airplane ride and then, while 10,000 feet up in the air say, "Oh, by the way, the invitation was for five minutes only. And guess what? The five minutes are up right now. So out you go. Toodle-oo, Cheerio." No, this would be fraud at an almost ludicrous level. On the other hand, a dinner guest has no right to insist upon a nine-month visit! Even if voluntary pregnancy is interpreted as an "invitation" to the fetus, the mother is not compelled to stretch out the invitation for the full term.

Moreover, there are grave problems with the view that the women engaging in voluntary sexual intercourse makes an implicit contract (of invitation) with the fetus.

When A (the woman) agrees with B (the *man*) to an act that produces C (the fetus), this cannot be construed as an agreement with C, who doesn't even *exist* at the time of the agreement between A and B. It is impossible to enter into a contract with someone who doesn't exist. How do we know that the nonexisting person, C, agrees to the contract? A person cannot agree to be given birth to!

One would have to go back to the proslavery and antislavery movements to find a public issue even remotely as vexing as abortion.

Abortion, then, is justified because if the fetus is unwelcome it then becomes a trespasser inside the mother's body. Since slavery is improper, the mother cannot legitimately be made a slave of the fetus and forced to accept its unwelcome trespass within her. Abortion is justified because continued unwilling pregnancy is a violation of the mother's rights to her body.

GENTLE ABORTIONS

As a trespasser, the fetus may be removed, or aborted. But, as in the Quinlan case, the trespasser must be removed with as much care and gentleness as possible. It is extremely unfortunate that due to the proper exercise of rights, a death will almost certainly occur. (Given the state of the medical arts, there is a present extremely small likelihood of a fetus being aborted that will maintain its life.) The fetus will die. A unique individual *human being*—a potential Mozart, Einstein, or Mises, precious to all mankind—will have died. This is a terrible tragedy, not something to be lightly considered. The death of every human being diminishes us all, if only in view of potential contributions gone forever. Nevertheless, the reasoning is clear, and we must follow wherever it takes us.

Perhaps the abortion question gives our society so much trouble because the extreme cases have not been recognized as classic "life-boat" situations. In cases of this sort, as the name implies, there exist the means to save the lives of only some of the people involved. Thus, we are necessarily faced with unappealing alternatives.

The cases that fit the life-boat model are those in which mother and fetus cannot both survive. To save the mother's life, the fetus must die. To save the fetus, the mother must die. Clearly, even if we believe in the "right to life," that belief would not help us decide what to do. For abortion would be as prolife as nonabortion. Fortunately, the "right to life" argument is as unnecessary as it is unhelpful. For the life-boat paradox can be solved by recourse to *property rights*. Who *owns* the boat? But in the unwanted-pregnancy predicament, the *mother* clearly owns the "boat"—her own body. It is to her, and to her alone, that the decision falls.

All fetuses, despite the manner in which they were conceived, or the consequences of their existence for their mothers, have identically *equal* rights. So in all cases (voluntary, healthy pregnancy; rape-induced pregnancy; medically contraindicated pregnancy) the fetus is a dependent guest and may be expelled at the discretion of the mother. If the mother's life is threatened, she may abort the fetus as the owner of the relevant property. She may also have an abortion for any other reason that seems compelling to her. But, she must remove the trespassing fetus in the gentlest manner possible.

Although we started with the seemingly antiabortion premise that the fetus is *human life*, we have come to proabortion conclusions. But this is not the end of the matter. We must reverse field once again. Our conclusion may be unwelcome to proabortionists and antiabortionists alike.

If and when medical science allows us to devise a method of abortion that does not kill the fetus (this has already come to pass in some limited cases) then, all other things being equal, it *would* be *murder* to abort in any other way. It would be murder, and it would have to be punished as infanticide. One would be no more justified in aborting in a death-causing manner than in slitting the throat of a Karen Ann Quinlan.

If the life-preserving method cost appreciably more than the life-destroying one and the mother was unwilling or unable to take on the additional expense, she would have no positive obligation to preserve the fetus's life. If anyone else was willing to provide the necessary funds and she refused them this opportunity, she would again be guilty of murder. It is only if no one else was willing to pay the additional amount of money necessary to maintain its life that the baby might legitimately be aborted in a non-life-sustaining manner.

If the method could be used only at a certain state of pregnancy, the woman would not be required to maintain the fetus until then. She would have the right to remove the trespassing fetus immediately, just as she does now. Only if the life-saving method could be used at the time the woman wishes to have an abortion would she be obliged to use it.

Starting with the seemingly antiabortion premise that the fetus is *human life*, we have come to proabortion conclusions.

The conclusion that, other things being equal, the woman would have to abort by the life-preserving method may present problems for the victims of rape and incest, as well as for women who simply change their minds. The rape victim may see it as particularly onerous to be forced to give life to the progeny of the hated rapist. But it is not a matter of choice for her! Just as a woman may not properly kill an infant child of a man she has come to hate, so a woman may not properly kill the offspring of a rapist if there is a technique of abortion that can preserve its life. She would not be obliged to maintain it, of course, but neither would she have the right to kill it if it could be removed alive. Child of rape, incest, both, or neither, the fetus would have its chance to live. ☐

Mr. Block is the author of Defending the Undefendable. *An earlier version of this essay appeared in the* Libertarian Forum, *September 1977.*

Pflock

(Continued from p. 21.)

begins only at birth, the question that must be asked is: What is this entity developing within the uterus if not an actual human being? Is it possible, by some magic, at the time of birth, that this alleged potential being is somehow, within a matter of minutes, transformed into an actual human being? To rational individuals, in possession of scientific facts, the answer is incontrovertible... at the time of birth, the child is merely moving from one required environment (aquatic) to a new required environment (gaseous) so that it can continue to develop into the succeeding stages of its life.

To claim that the unborn are not human beings is absurd—another case of arbitrary definition that does not fit the facts.

UNBORN AGGRESSION?

The unborn are human beings. And all human beings are persons. But are the unborn aggressors?

An aggressor is a person who, under normal circumstances initiates the use of force against another person. An aggressor *willfully* acts against his victim. He *chooses* to use force against an innocent party to gain his ends. Aggression is purposeful human action.

An unborn person does what he does, not through purposeful action, but through biologically imperative processes. It is the way things work in the normal course of a human life, a fact of nature. An unborn person is innocent of aggression.

So it would seem that abortion is not consistent with the fundamental principle of liberty. The unborn human being is a person and is not an aggressor. Therefore, the unborn human being must be accorded the same consideration that the nonaggression principle requires us to accord all persons innocent of aggressive behavior.

But wait, some have said, isn't an unborn person a trespasser? After all, he is occupying a woman's body, the property of another. Doesn't this make him an aggressor? (See Walter Block's article in *Libertarian Forum,* September 1977). [And in this issue of REASON—Ed.]

True, trespass *is* a form of aggression, the willful intrusion onto the property of another. If you take a short-cut through your neighbor's yard on the way to work, you are guilty of trespass. You violate his property rights by choice. But an unborn person has no choice. He is where he is as consequence of the actions of others and the workings of biology. He did not choose to be conceived, nor does he choose to remain where he is in defiance of the wishes of the woman whose body surrounds him. His is a "passive" role and therefor not aggressive.

But what about rape? Surely the unborn person conceived through rape is guilty of trespass, aggression?

Once again, the answer is no. The *rapist* is the trespasser. He is the aggressor. The unborn child that results from his action is an innocent consequence of that action. To punish (kill) the unborn for what another did would only compound the crime.

ABORTION, MURDER

There are those who have tried to justify abortion by claiming that it does not constitute an attack upon the unborn, that it is merely a morally neutral withholding of aid to a helpless stranger. It may be callous, even uncivilized, but it is not a violation of the nonaggression principle. (See Murray N. Rothbard in the *Libertarian Forum*, July 1977, and see Block.)

The only safe bet is to accord every member of our madcap race the status of "person," no matter what his stage of life.

Nothing could be farther from the truth. Abortion is the purposeful use of force to deny a human being who is innocent of aggressive behavior the natural conditions required for continued life. There is nothing "neutral" about it.

The only neutral course is to let well enough alone. A normal pregnancy requires no extraordinary action on the part of the mother. Essentially, all she has to do is live a healthy existence, something any sensible person does anyway. She is not required to sacrifice herself to benefit another. If she takes care of herself, she will, willy-nilly, take care of the unborn person within her.

But if she chooses to abort, to kill the unborn child, she turns her back on neutrality. And, under normal circumstances, she embraces murder. To call it anything else, to attempt to justify it as merely an exercise of one's privilege to refuse aid to a stranger, is to engage in a particularly nasty bit of semantic sophistry.

But what if circumstances are not normal? Suppose a mother's life clearly is endangered by pregnancy—what then?

All persons have a presumptive privilege of self-preservation. As Ed Vieira explains, this privilege "permits an innocent individual to take the life of another innocent individual in an 'emergency' situation in which both cannot survive and the survival of one depends upon the denial to the other of the means of survival" ("Thoughts on the Question of Abortion," distributed by Libertarians for Life.) Thus, in the extraordinary instance in which there is good reason to believe a mother's life is endangered by pregnancy, she has the privilege of defending herself by means of abortion and can do so without violating the nonaggression principle. Of course, she may also choose to give up her own life to save the child. The choice is hers and hers alone. (This assumes that the mother did not engage in sexual intercourse knowing pregnancy was particularly dangerous to her and without taking reasonable contraceptive precautions. If she knew the danger and was careless, she would forfeit her choice and the unborn child's life would come first.)

The unborn are human beings. Unborn human beings are persons. Unborn persons are innocent of aggressive behavior. Therefore, except in a "lifeboat" situation, they must be accorded the protection of the nonaggression principle. And, therefore, under normal (nonemergency) circumstances, abortion is a violation of the cardinal principle of libertarianism. ◻

Photo by Carole C. Pflock

Mr. Pflock is a freelance writer and a contributing editor of REASON.

F.A.N.S.

(Further Adventures of Nader's Sophists)

If the sports buffs of America weren't victims before, they will be before long.

by Peter Fasolino

SOME YEARS AGO a story made the rounds about a diligent but obtuse Boy Scout who made a career of helping elderly women safely across the streets, whether they wanted to go or not. It is difficult to say with any degree of certainty if in fact that zealous tyke grew up to be Ralph Nader, but to judge from Nader's latest foray—into the world of professional sports—they must have been at least cousins. If the sports buffs of America weren't victims before, they will be before long.

The group that will be marketing the Nader line in this area is called, cunningly, "Fight to Advance the Nation's Sports"—FANS. The insipid acronym and its etymology speak volumes I suspect about the organization itself.

Certainly it is true, as the Nader group contends, that professional sports have much in common with big business: the financial stakes are, after all, rather substantial. Yet the sports business is often pursued with boyish enthusiasm by owners, athletes, and spectators alike. Athletic events are capable of moving people to violent passions, to laughter, and to tears. Although Nader is in many respects remarkably lifelike, there seems to be little room in his philosophy for the emotions of living people.

This is not to imply that all the group's goals are utterly without merit. There is some justice in their claim that taxpayers ought to have a better idea of the degree to which they subsidize professional sports via municipally funded arenas. It is ironic, as they note, that many taxpayers who have helped finance a stadium are unable to obtain tickets to events held in that stadium. Moreover, taxpayers who have no interest whatsoever in stadiums or sports are, in effect, forced to help underwrite them, forced to pay for something in which they have not the slighest interest and from which they derive not the slightest benefit. If *that* is what upsets Nader, I can sympathize with him: I know just how it feels.

I know because when I got into my car this morning and put the key into the antitheft interlocking ignition, lights flashed and buzzers buzzed to remind me to fasten my retracting three-point seat belt and shoulder restraint. I have not the slightest use for any of these gewgaws; I never asked for them; I was forced to buy them. If it is wrong to force a man to buy a stadium seat, why is it right to force him to buy a seat belt? The only answer seems to be a willingness on the part of many Americans to have someone else make decisions for them.

Perhaps that is the ultimate appeal of the so-called consumer movement: it offers a comforting secular fundamentalism. Thou shalt buckle up; thou shalt comparison shop; thou shalt not partake of artificial sweeteners. These precepts are harmless enough as articles of individual faith. As articles of federal law, however, they represent a devastating loss of the liberty to choose freely between alternatives. That loss of choice must necessarily be followed by the absolution of the individual from any responsibility for his or her own actions. It is not merely coincidental that we are witnessing an unprecedented push for consumerism at the same time as we are witnessing a murder trial in which the defense plea is: "Not guilty by virtue of network television programming."

It is worth examining the mandate claimed by the consumer advocates to justify their intrusions into the private lives of American citizens. In this particular case, the president of FANS, Peter Gruenstein, is hoping that 10-20,000 sports enthusiasts will elect to join his group. How does that maximum figure compare with other notable statistics from the world of sports?

On the opening day of the 1958 baseball season, 78,672 fans paid to watch the Los Angeles Dodgers play the San Francisco Giants. If the Nader group showed up in force that day, they would have accounted for just under 25 percent of the paid attendance—not a majority, certainly, but a substantial percentage. The same number of "sports consumers," however, would represent only about six percent of the crowd that attends the Indianapolis 500 each year and something less than three percent of the gate at National Football League games on any given weekend. It seems extraordinarily impertinent that so few could presume to speak for so many.

In actual fact, FANS would be hard put to make much of a power play even in the Florida Shuffleboard Association, which boasted 55,000 members in 1973 (and which, presumably, has limited its pronouncements to the game in question as played within the confines of that peninsula).

Pontificating on professional sports is something new for Nader, and it represents a very disturbing precedent. The consumer movement, once concerned only with those things that are life-sustaining, now turns its dour gaze upon those things that are life-enhancing. What will be next?

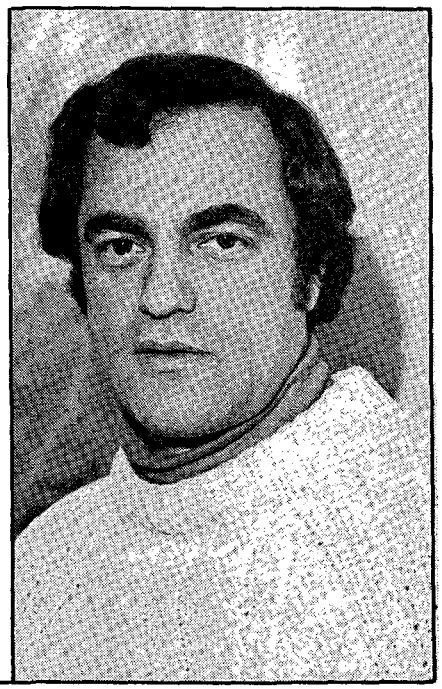
Religion? "Nader task force reports on organized religion," the newspapers will say. "Consumer panel rates top 10, evaluates 'salvation' prospects."

Or perhaps art? I expect to read any day now that the cannon blasts should be deleted from the *1812 Overture* because prolonged exposure to such blasts has been linked with damaged tympanic membranes and antisocial behavior among laboratory animals. Moreover, that same report will continue, if all orchestra parts were transposed to a single piano score, the cost-effectiveness of the piece could be greatly increased with the savings passed on to the music consumer.

Since the consumer movement bears more than a passing resemblance to the temperance movement, it is not inappropriate to recall the essay on alcohol written by H. L. Mencken a good many years ago. Allowing that liquor could cause considerable physical and psychological damage, Mencken nevertheless chose to sing its praises. "A man's sole mission in life is not that of keeping himself alive," he concluded. "He has not done his full duty either to himself or to his fellow men when he has barred all toxin from his viscera. In brief, he must not be too servile to the science of life, lest he forget the art of living."

I, for one, will drink to that.

Mr. Fasolino is a free-lance writer based in New Rochelle, New York.



REASON INTERVIEW:

EARL C. RAVENAL

Joining the list of prestigious speakers at the 1976 national convention of the Libertarian Party was Dr. Earl C. Ravenal. Though unknown to most of the attendees before the convention, his hard-hitting speech on a noninterventionist foreign policy soon made his name widely known. Indeed in the past year and a half, one can scarcely find a libertarian foreign policy document that does not at least mention Ravenal's name or ideas.

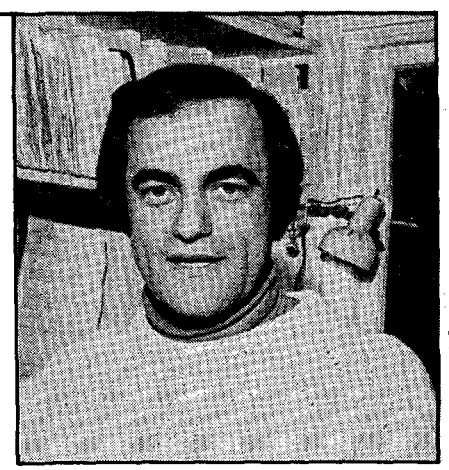
What distinguishes Ravenal from many academic critics of American foreign policies is his hands-on experience. From 1967 to 1969 he served as Director of the Asian Division (Systems Analysis) in the Office of Secretary of Defense. Upon leaving government service Ravenal entered academia. He is presently teaching American foreign policy at both the Johns Hopkins School of Advanced International Studies and the Georgetown School of Foreign Service. His articles on foreign policy issues have appeared in Foreign Affairs, Foreign Policy, *and other journals as well as in magazines such as* Harper's *and* REASON.

After his initial appearance in 1976 Ravenal was invited back to address the 1977 national convention of the Libertarian Party in San Francisco. There he was interviewed by REASON *editors Manuel Klausner, Tibor Machan, and Robert Poole. Of particular concern in the interview was the question of reconciling the goal of cutting back US overseas intervention with the realities of present-day international power relationships.*

REASON: You will probably find that the questions we ask are very broad, partly because we don't know enough of the facts. Like about the Soviet Union—is it really a threat?

RAVENAL: Nobody, it seems to me, is giving a completely satisfactory factual answer to that question—although I'm

I think the Soviets really were up to something in the late forties, and they probably are up to something now.



photos by Pol Corvez

not satisfied that there's *no* threat emanating from the Soviet Union. I'm not satisfied at all. I think that what we're going to have to get down to is a hypothetical question—if there *is* a threat, what to do about it? And on this hypothetical question, a person who claims rather modestly not to know or not to have much expertise in that area is being too modest. That's why I maintain that individual citizens are certainly as capable as anyone else of making basic policy decisions.

REASON: There have been a lot of claims to the effect that US foreign policy—for example, establishing bases throughout the world—has been mistaken because it presupposes that the Soviet Union is an aggressive, internationalistic power, where in fact we are dealing with Mother Russia in some different rhetorical garb. How would you evaluate the Russian military threat to the United States?

RAVENAL: I don't think that all this revisionism that we've seen in the last 15 years about the nonexistence of the Soviet threat—historically, since World War II, and by implication, at the present time—holds much water. I'm not essentially a revisionist, as a lot of colleagues of mine who happen to be out on the left somewhere generally are. I think the Soviets really were up to something in the late forties, and they probably are up to something now. And it's not simply a new manifestation of a traditional Russian defensive instinct. Communism has tended to make the Soviet Union a global revisionist power—it's not satisfied with the status quo, not only within its own region but also in a general sense.

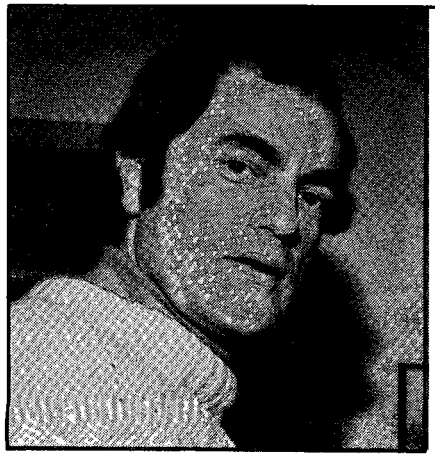
But the question is always a so-what question. Of course, the first part is, what are the Soviets capable of doing no matter what their utopian objectives might be? And second, even if they are capable of doing certain things, how does that affect us and what can we do about these things? As to the first question, since the mid-sixties—and that puts it very late; some people would say late fifties—they can reach us directly with some very destructive weapons. Actually, even as late as the early sixties they didn't have all that many of them. So a lot of the expressions of the Soviet menace were premature, and that gave a bad name to those who were crying wolf. But that does not mean that of necessity there is not a rather serious theoretical challenge to our strategic situation now just because many observers—hawkish observers—were a bit hysterical about this 10 or 15 years ago. That's what's wrong with the debate, for instance, in some journals such as *Foreign Policy*. Over the last couple of years there's been a lot on the question of the arms race—who started it and whether we overreacted or underreacted and all that sort of thing. Those questions don't interest me that much; they have no necessary relationship to the present situation. The fact that we might have underestimated the Soviet missile buildup in the early sixties or the fact that we in some era might have overestimated Soviet capability by making linear projections. . . .

REASON: What is the methodology for this kind of compilation, anyway? That's sort of a basic question that should be brought out.

RAVENAL: Well, that is tricky. What appears to be a single aggregate figure just represents a way of synthesizing a very complex judgment. And the farther out you go, the more you're depending on the validity of a simple linear projection. There is a question of intentions and capabilities. What isn't well enough realized is the fact that although in the short run intentions are limited by capabilities, in the longer run capabilities are limited by intentions. The forces that they want to maintain and the ways in which they would like to deploy them, even though they are not capable of doing that now, become much more important, because they will set themselves the task of building toward those levels. They're restrained by only two things—the potential of their economic system and the degree to which their citizens within their political structure will put up with the misallocation of their own resources to defense requirements as opposed to consumer and investment needs.

REASON: Is there a very serious question involving the fact that their decision making throughout the entire industrial, agricultural, civil, legal structure is centralized, whereas we have people in the Pentagon, but they are still in some sense accountable to civilians who are then in some sense accountable to the grass roots? Is there a serious policy problem that arises in estimating what they will do and how we can react?

RAVENAL: Well, several kinds of problems arise from that. There's a lively debate that goes on about the extent to which the Soviet system is pluralistic or monolithic within itself as a political system, as a decision-making system. There are two schools of thought, with many shades in between. One is the simple totalitarian explanation, which would credit them with rather immense powers of resolving disputes. That is, disputes are resolved and buried, and they proceed univocally along a certain policy line. And the other theory is that the Russian system is really functionally very much like ours, even though the political forms differ—they have interest groups, they have to resolve disputes constantly within the Politburo and other organs of their government; there are hard liners and soft liners. The consequences for American policy differ considerably. In the first case we batten down the hatches, and in the second case we do something quite different—we try to play on the internal divisions within the Russian political system and sometimes have to make strategic concessions precisely in order to favor the cause of those whom we consider soft liners. The first school of thought thinks that the latter is capricious to the point of being self-destructive, not



It's not an open-and-shut case against such things as the Phoenix Operation in Vietnam.

only because there really aren't any soft liners within the Russian politburo but because, of course, by playing this game with us they can extract all sorts of concessions.

REASON: How do you believe on this?

RAVENAL: Well, I'm not a Soviet expert, and I don't mind saying that because even Soviet experts don't know. They've made serious mistakes and really don't know as much as they might think they do. I don't tend to accept entirely the hard line-soft line thesis. Obviously it has a measure of sense, but I think it isn't that bad a functional presumption on the part of the American defense decision-making system to take the Russian system as if it were a little more monolithic. In other words, this is a working hypothesis. Lacking enough confidence in these very serious matters, we probably do have to give a wider berth to our estimates of Russian intentions. That's what it really gets back to.

REASON: What's your prescription, then, for American military policy? Your assessment of the Russian military capability?

RAVENAL: Well, I don't think that any single prescription grows inevitably out of any single analysis. I could buy a certain fraction of the hawkish estimate of the situation without beginning to buy their prescription for what we ought to do about it. I'm not sure that anything the Russians are doing yet gives us cause to reverse our gears and go into a program of urgent mobilization, which is really what people like General Haig and Admiral Zumwalt and Henry Jackson and to a limited extent Sam Nunn and others would like to see us do.

REASON: It has always been a puzzle to me whether a system like theirs, over a large territory, could have the kind of longevity that they have exhibited without some kind of almost deliberate whipping the people up into the war-act mentality. And if this is so, then it would seem to lend some plausibility to the hawkish kind of predictions or anticipations.

The Russians were clearly trying to do two things in Cuba—one aggressive and one defensive.

RAVENAL: Certainly they're capable of mobilizing their population—the sentiments and the resources of their population—to an extent that surpasses ours, but they can't perform miracles. They can certainly mobilize their population to defend against palpable threats, but that's, of course, not what we're talking about. Whether they would be able to invent through their propaganda a cover story that would not only pacify but mobilize their country in the event of a Russian gratuitous and premeditated invasion of NATO Western Europe is quite another story.

REASON: While we're talking about the Soviet threat, what about first-strike capability and intentions? You mentioned in your talk this morning that the United States government had not over the last 30 years renounced the first use of nuclear weapons. Do you think there's any strategic advantage to doing that, given that the Soviet Union has not done it?

RAVENAL: Well, many people think that there is. There are, broadly speaking, two schools of thought on nuclear weapons. One school feels that such weapons have war fighting utility, and these people are generally the same ones who feel that the Russians are using their nuclear force in a war-fighting mode—to win, not to deter, wars. The other thesis is that neither side really intends to use nuclear weapons except as a deterrent which implies, of course, second use of nuclear weapons. Now, the one thing that breaches that neat distinction is the notion of extended deterrence, and that is what I was getting at this morning—using the deterrent not only to shield yourself—to shield yourself against nuclear attack—but to do two other things: one, to shield your allies, not just yourselves, and two, to shield them against nonnuclear aggression. You're taking the same deterrent and getting much more mileage, or hoping to get much more mileage, out of it.

Now, that is a very dangerous game. That game was invented almost at the birth of nuclear weapons, but it was given impetus by the thinking of John Foster Dulles in the 1950's. At that time the United States had a nuclear monopoly, at least a strategic intercontinental nuclear monopoly. Russia in some ways could threaten with a few bombs and a handful of antiquated weapons and very limited delivery vehicles. They could threaten Western Europe, and their strategy was, in essence, to hold Western Europe hostage for our behavior, but they could not reach the United States until roughly 1955, even with their long-range bombers. Of course, they leap-frogged over that by 1957. In the fall they put up Sputnik, and they began to build missiles, but even at the time of the accession of the Kennedy administration in the early 1960's, the Russians had—by one estimate that I heard just the other day from someone who was inside the system at that time—only four operational intercontinental ballistic missiles. And that's why Krushchev was trying to introduce missiles into Cuba. The Russians were so far behind that they wanted to deploy within the Western hemisphere, within the Caribbean, the intermediate- and medium-range missiles that they already did have in order to leap-frog over their disadvantage.

REASON: Did you assess the Russian move in Cuba, then, as something that they were doing to try to give them a more credible counterstrike capability, or was that an aggressive threat on their part?

RAVENAL: Well, I really think it was both. At a certain stage in the escalation of a crisis, what is a response becomes a provocation, what is a provocation can be used as a response. The Russians were clearly trying to do two things—one aggressive and one defensive. The defensive thing was to protect Cuba against what they knew, and what we now know ourselves, was a real threat from the United States. We were trying to topple the Castro regime, which had sought Russian protection. That you can consider defensive. The other reason Krushchev deployed the missiles was simply to even up the world's global strategic balance, so that, conceivably, they could perpetrate certain aggressive moves under that strategic power.

REASON: Doesn't it become important to go back and ask ourselves—especially when we talk about the question of right and wrong—who, at the very beginning, was aggressive, who showed the first aggressive signs? For example, when the Russians decided to move into Czechoslovakia and Hungary in 1948, they toppled every opposite political party. They had mock elections, and they did this throughout the Eastern bloc. Was it legitimate for the United States to think of that as an aggressive act?

RAVENAL: Well, I would agree in many respects with the obvious interpretation that these were offensive and objectionable political and military actions, and I don't buy, as I said a minute ago, the revisionist case completely—to the effect that for some reason we prodded the Russians into this kind of egregious political behavior.

REASON: Libertarians are divided over what is the proper extent or scope of US defense policy. Have you thought about this? How about the "porcupine theory" of foreign policy, the idea that Switzerland is a good model for the United States?

RAVENAL: Well, I often mentally experiment with the question of how our country would comport itself if it lacked certain elements of power. Although that's a counter-factual question, it has a certain use because it forces us to ask ourselves whether we're behaving the way we are simply because we have the power. If that is the case, and if, further, that position is beginning to be eroded by a diffusion of power in the world, the procession of power to other countries, many of which are hostile to our aims—and not just hostile as some of the Communist countries are, but even hostile in the sense that certain capitalist countries are implicitly in competition with the United States for some of the same goods and resources in the world, influence, and other things—if that is the case, then it's not too early to start thinking of a different way of behaving in the world.

REASON: The libertarian position stems essentially from a belief in nonaggression—you can't use force against others as long as they don't aggress against you. So libertarians are opposed to taxation and conscription. That has very profound implications when you try to address this very difficult task of foreign policy and military capability from even a defensive standpoint. Do you favor conscription or taxation in any applications?

RAVENAL: This hinges on the question of what a political community consists of and whether a political community has any validity. It strikes me from reading some very interesting libertarian literature that people are beginning to send me, that libertarians have not given up on the notion of the political community. They call it, however, society, and they feel that certain organic, self-regulatory mechanisms that grow up within society and that are largely voluntary are quite legitimate. So the real question is not whether anything that an organization does or any powers that any organization arrogates to itself are ipso facto illegitimate just because it calls itself a government. The question is whether in many cases we're not dealing with an authentic expression of community, of social will, in the guise of governmental or State action. It strikes me that there is such a thing as a legitimate collective social-political expression and that there are certain areas of activity in which that kind of expression is likely to be more relevant. Now defense is certainly one of them. A second question is under what conditions of external and internal threat will we find these mechanisms, whether they're taxation or conscription, beginning to cut in—where a community through some of its social-political mechanisms decides, in some more or less legitimate way, to exact resources and effort and sacrifices from its members in order to accomplish some presumptively worthwhile objective? To me it's not a question of absolutes. It's a question of whether we see this phenomenon as appropriate or whether the exactions of the State are outside of those categories and therefore constitute illegitimate intrusions on the rights of individuals and families.

REASON: That's precisely the thing. Libertarians have answered that second question by saying that the primary political purpose of a community is to uphold liberty—preserving rights and so forth. Now if you have a different conception of what the political primaries are—say, stability or security—then you no longer find conscription and taxation such a dire oddity in a community. But if you take liberty as the primary political value, then these are really illegitimate.

RAVENAL: Yes, I think that's a challenging statement. The kind of thing that I was implying—of course, this still remains a more or less off-the-top-of-the-head answer to your question—is that there are circumstances of tangible threat and general threat that probably do justify taxation, some kind of taxation, and, in the most extreme cases, even conscription. But judgments of the severity of cases should not be arrived at lightly. But there are cases, it seems to me, where we find examples of the phenomenon that economists call public goods; and if enough people within a State agree to provide security for themselves and defend the borders of their community against palpable threats, then, whether or not people go along with this effort voluntarily, they are defended—they can't help but be defended.

REASON: There are some libertarian solutions to this problem that are being advanced, but obviously we can't go into them now. While we still have some time we ought to talk about a few other pressing problems, such as specific weapon systems and issues like that. For example, what was your view of the B-1?

RAVENAL: I've always opposed the B-1. It was a useless, although what I would call benign, weapon system; it was not destabilizing, simply a waste of money. There are other weapon systems which are expensive and not benign because they are destabilizing. They make our strategic situation worse in terms of the probability of our survival. I think that the Mark 12A warhead, for instance, is a very potent, explosive force. It could be fitted onto the present Minuteman and later, in some conceivable follow-on system, put onto the MX. The more potent we make the Minuteman as a potential first-strike weapon of our own, the more we invite in certain situations of crisis a preemptive Soviet attack upon our own land-based missiles—in short, on our own soil.

REASON: It gets to be a real problem for libertarians, I think, in some of these weapons trade-offs, because weapons such as the Mark 12A warhead that are much more accurate and can be much more precisely targeted are those that can be more readily used against exclusively military targets. In other words, it is used in a "counterforce" strategy as opposed to a "countervalue" strategy, which libertarians consider far more immoral or less moral as a means of defense—holding up innocent populations for hostage, so to speak, as opposed to just being able to destroy military targets. It would seem from what you are saying that those precise, modern, high-technology weapons which are counterforce weapons are precisely what analysts such as yourself would consider destabilizing and dangerous.

There are circumstances of threat that probably do justify taxation and, in the most extreme cases, even conscription.

RAVENAL: No. So far, I follow your argument implicitly, and I agree that countervalue weapons are anathema. But there's one point at which I diverge, and that is the implication that any accurate weapon system is necessarily a counterforce weapon and can only be used that way in the primary sense of the word "counterforce," that is, counter-silo, counter-missile. There are other uses for accuracy as such. I oppose accuracy combined with high yields because that can mean only one thing—attacking silos, which means counterforce. But accuracy can also be used to acquire a greater degree of discrimination between civilian populations and co-located or partially co-located military installations, and this might become, in some situations a useful capability for us to have built into our force structure. It's a more moral, rather than a less moral, position to be able to make such finer discriminations.

REASON: Why do you consider the Mark 12A destabilizing?

RAVENAL: Because of its accuracy *combined with* its high yield.

REASON: What do you think about the values, pro and con,

of the current cruise missiles and the neutron bomb?

RAVENAL: Well, those are very separate questions having literally nothing to do with each other. Cruise missiles themselves can be differentiated into roughly two types. One is the long-range sea- or land-based cruise missile. The presence of such missiles at various points in Western Europe could provoke the Russians to make certain kinds of responses. So I consider that sort destabilizing and also unproductive in the attempt to arrive with the Russians at certain relatively stable regimes in Europe. On the other hand, the other kind—the medium-range, air-launched cruise missile—I consider to be useful. It's a different weapon and is obviously a second-strike weapon; it relies on a platform, which is in itself very slow, to carry it anywhere near its launching point outside the perimeter of the Soviet Union. Moreover, it's useful in obviating, as Carter seems to see the wisdom of, the development and production of penetrating bombers like the B-1. So the air-launched cruise missile in my mind makes sense even though it complicates the problem of verification. But the ground-launched cruise missile does not make any sense.

Now on the issue of the neutron bomb you have an entirely different, although no less tangled, situation. The neutron, first of all, is a tactical weapon; it's a theater weapon. It's designed for use primarily against units of an attacking army. It's an antipersonnel weapon that, as everyone knows, is designed to leave a hard structure still standing except in the immediate area of the blast. I'm ambivalent about the neutron bomb. First of all, it doesn't affect in the slightest the strategic balance, because it is obviously a countermilitary weapon to be used on the battlefield. Although it's a vicious weapon because it's antipersonnel, it's benign for precisely the same reason, because it limits the area of damage and preserves the lives of civilians who might be located in nearby towns or areas. You almost come out with neutrality when you weigh these two considerations—its limited and somewhat more controllable radius as opposed to the fact that it's a specific antipersonnel weapon.

Hitler and Amin are rather easy cases, cases which dispose you toward accepting the legitimacy of political assassination.

REASON: How controllable is that radius?

RAVENAL: I think we're talking about hundreds of yards rather than several miles. It's very difficult, it strikes me, to calculate precisely the effect of blast as opposed to radiation; this being a radiation rather than a blast weapon, it is, I think, inherently more controllable. Now the irony is that, precisely *because* it's likely to be more restrictive, discriminating, and controllable, it's opposed, because it appears to bridge the gap between conventional weapons and nuclear weapons in a way that had only been, let's say speculated on or hypothesized.

REASON: Let's get to SALT for a moment. What are your general thoughts on it? Some people say it's a giving away of all America has and it's a selling out to the Russians. Others say it's the best thing for peace and prosperity in the world.

RAVENAL: The process itself doesn't lead necessarily to either of those results. It depends on the type of agreement that's obtained and whether it's minimally verifiable or minimally enforceable. One has to be more specific about which proposals and which projected agreements we're talking about. I think you are implicitly referring to Vladivostok and what was projected there in November 1974, and hawks and doves have fallen out on that issue. But surprisingly, they agree on one thing—and that is that the Vladivostok agreements were very bad—but for very different reasons. The hawks were partially right and the doves were partially right. The hawks opposed those ceilings, those agreements, because they would allow the Soviets, within those agreements, to build a force which would still be sufficiently destructive to wipe out a large percentage of our strategic nuclear system. So that was the objection of the hawks—that Vladivostok contributed to and codified Soviet strategic superiority—that it was a giveaway, consequently, by Kissinger and President Ford. The doves opposed it on entirely different grounds, simply because the ceilings were so high on individual delivery vehicles and that any weight of delivery vehicle was considered as an integer of one, whether it was a B-52 or a Minuteman missile which has only one warhead—such that both sides would be able to build up to incredible levels of what the doves or arms controllers call overkill. I don't happen to subscribe to this overkill calculus because it's simplistic and it's circular; it depends on the target system that you intend to attack. So the argument, the simplistic argument of the doves, or the arms controllers, really doesn't reach the point.

REASON: Let's move from that question back to the moral issues. Other than dealing with modern weapons, how do you view the desirability of, say, training squads of assassins or teams of snipers who would go out to pick off somebody like Idi Amin or Adolf Hitler rather than using weapons of mass destruction and mass murder. The general question is, are covert operations at least theoretically more preferable on a moral basis than the kind of mass weapons system we have now?

RAVENAL: I don't think there's an ultimate answer on this. You can find cases—and if you can't find them, you can hypothesize them—where the most economical kind of attack, in terms of conserving human life, is precisely at the top of some political pyramid. Particularly if it can be demonstrated that a leader is imposing his decisions on his own populace and they're really not responsible for it, then it's much more moral, I suppose, on that theory, to attack the leader and spare the population. At the most abstract level of moral theory, it's hard to find any reason, particularly if you approach it in a sort of utilitarian spirit, for not doing it. It appears to be not only a legitimate, but also a mandatory, code of conduct, because utilitarianism not only permits but requires the action that produces the greatest good or the least harm. On the other hand, moving from rather abstract formulation, I think it's a very, very evil precedent to codify and enshrine in our practice to assassinate the leaders of foreign political systems because of some fantasy grievance we might have against them. Now in mentioning Hitler and Amin, you cite rather easy cases, cases that dispose you toward accepting the legitimacy of political assassination. I still entertain a presumption against it except, curiously, in times of full-scale combat. There's no prima facie reason, it seems to me, why one can't go after the commander-in-chief of someone else's armed forces just as well as the lowliest private. But in times of nonbelligerency, I think it should be ruled out as a matter of, let's say, an initial presumption.

REASON: In the Vietnam war, in Operation Phoenix, the CIA was training guerrilla warriors to knock off politicians in Vietnam. Here was a state of belligerency, though not a state of declared war....

RAVENAL: In the Phoenix Operation, the legal fact of a formal declaration of war is immaterial, because there was a state of war existing by any substantive measure. The question is whether the targeted cadres were military or politi-

(*Continued on p. 37.*)

photos by Inter Nationes

The German Non-Miracle

How a handful of economists defied orthodoxy and produced the economic success story of the past quarter century.

by Thomas W. Hazlett

THE SETTING

SOME YEARS AGO the award-winning sports columnist Jim Murray wrote an amusing article detailing the hapless antics of the San Francisco Giants. Always good, but never champs, the Giants were the perennial bridesmaids of baseball. "Once upon a time there was a baseball team called the San Francisco Giants, and they finished second more often than Germany," quipped Murray.

In the intervening years, the Giants have solved their second-place blues by growing even more hapless. Yet their once-frustrated counterpart, the Deutschland, solved its dilemma in a rather successful fashion. Today there is little question that the number-one economic success story of the past 25 years is the remarkable tale of the Federal Republic of Germany.

In 1945 Germany lay in ruins, the vanquished victim of mankind's most grotesque holocaust. The war had shaken the German economy by its very roots: it destroyed one-fifth of all housing, decimated the transit lines between regions, reduced industrial output to but a third of its 1936 level, erased a huge percentage of the working-age male population, and swamped the countryside with a tidal wave of immigrants that would reach the 8.5 million mark by 1948. While the defeat belonged to the Nazis, the immense destruction belonged to the entire German nation.

Yet the shocking reality was that war-scorched Germany was to face its greatest economic crisis in the years *after* 1945. The postwar devastation was the combined effect of two principal factors.

First, a tremendous inflation broke loose—the predictable result of prior history. Under the Third Reich, the German government had financed a colossal industrial build-up to accommodate the designs of the Nazi war machine. The tremendous industrial expansion was paid for with rampant monetary expansion. All the screws of the Nazi State had to be tightened to their breaking point to suppress the resultant inflation; the guns of the Gestapo turned on black marketeers and others who sought to evade the officially posted prices of goods and

When a "liberalistic" tax policy favored individual initiative, the system exploded with enthusiasm.

services. The result of the effective price controls under Fascism was the explosion of liquidity after Fascism.

Enter crisis-source number two: Allied control policies. In an effort to forestall the inevitable realignment of money and prices, the Allied commanders of France, Britain, and the United States slapped on an extensive control network that fixed wages and prices at preinflation (1936) levels. The economically obvious occurred: goods disappeared from legal markets and were sold illegally at prices far above the official prices. Severe misallocation of resources took place; cigarette lighters, for instance, which were unregulated by price controls, zoomed in value and were much sought after by people desperately in need of food and shelter.

The stupendous gap between the legal and illegal prices grew to such proportions that a general collapse of the currency ensued. People resorted to barter, and German cities typically saw a mass exodus on weekends as city-dwellers flocked to the countryside to trade with the farmers in kind. As the German economist Walter Eucken summed up: "The failure of money and the central administration of the economy has led to increasing self-sufficiency of economic units and to the emergence of a system of barter, two things incompatible with an extensive division of labor. The economic system is reduced to a primitive condition."

In the eastern zone, the Russian formula was basic: loot everything of value. In the west, however, there was a different problem: total indecisiveness. As Wilhelm Roepke relates: "Among the victors only Russia could be said to have had a German policy at all." The western zones were afflicted by an acute case of disarray, and government policy fluctuated among the vengeance of the French, the reformist zeal of the British (Laborites), and the bewilderment of the Americans. About the only consensus to be found anywhere was to rely on economic controls.

The Allies were thorough in their regulation of Germany. Censorship was so tight, for example, that James T. Farrell's popular novel *Studs Lonigan* was declared contraband. The victors attempted to administer the economy through a patchwork assortment of price regulations, allocation details, and rationing. In the fall of 1946 the mechanism had reached bankruptcy, the officially rationed food allotment being under 1,500 calories per person per day. Ludwig Erhard was to report: "All attempts at mending matters were frustrated, not only by the prevailing conditions of devastation, exhaustion and disruption, but also by the supposed experts, in and outside Germany, clinging tenaciously to their reliance on controls. The people worked on doggedly, tormented by hunger and exasperated by zonal restrictions, corruption and the black market."

THE IDEAS

Meanwhile, an exciting intellectual debate roared in the academic institutions and councils of government, exploding from its previously suppressed condition in an inflationary blast mirroring the flare-up of prices. Out of the haze of viewpoints emerged two predominant schools of thought: the Social Democrats and the "Freiburg School."

The Social Democratic Party (SPD) can be thought of as a moderate version of the British Labor Party. While socialists neither in name nor in doctrine, the SPD favored a revitalized economy run from the top. In the great moment of crisis for the German nation, SPD leaders argued that the anarchic vagaries of market allocation are both unjust and inefficient.

The major SPD economic ideologue was Dr. Kreyssig, who in June 1948 told the 18th Bizonal Economic Council that, since the society had been under control for such a long period, any decontrol or currency reform would be ineffectual. To Dr. Kreyssig's mind, not only would recovery not follow, but collapse was inevitable if prices were set free; the only course for the German economy was one of strong central direction. Another SPD spokesman was Herr Schoettle, who joined the argument against free markets by claiming that the task of reconstruction was too big for individual enterprise alone—massive State involvement was imperative if Germany was to recover.

Not surprisingly, the Social Democrats favored an aggressive fiscal and monetary expansion policy and the "full employment" policies that had gained political popularity elsewhere. The SPD was joined in this expansionary position by the labor unions, the British authorities, most German manufacturing interests, and, in a slightly more moderate tone, by the Americans.

There wasn't much in the program of the Social Democrats that the Freiburg School found to agree with. During the dark days of the Hitler epoch, a liberal resistance movement had developed at the University of Freiburg. Under the leadership of Walter Euken, it included Alfred Muller-Armack, Wilhelm Roepke and Ludwig Erhard. These men constructed one of the most comprehensive political-economic doctrines of this century: the *Soziate Marktwirtschaft.* The idea of a "socially conscious free market," as the translation goes, was that totalitarianism is the evil to be most guarded against and that the only way to prevent tyranny is to promote freedom. The theory spread freedom across political and economic lines and espoused a policy of noncontrol—by either the State or individuals—of individual choice. The conclusion was that free markets, and only free markets, can provide human

The so-called German Miracle is a compelling human drama involving courageous men and a powerful idea.

society with the incentives, efficiencies, and freedoms that can lead to a vital and progressive society.

The *Soziate Marktwirtschaft,* while a liberal movement, did not emerge from the doctrines of the liberal economists. The Freiburg approach was not laissez-faire: government was to be active in promoting competition and protecting free markets from monopoly, public or private. It also allowed for a small degree of wealth redistribution through graduated income taxation and social welfare programs, but it was insistent on keeping tax rates low enough to prevent economic disincentives to productive effort.

In 1946 Wilhelm Roepke, probably the most eloquent and vociferous of the school, set down a precise format for the German reconstruction. The plan was to create a new currency, to decontrol the economy, and to let the German people produce. In Roepke's words: "The prerequisite of a return to economic sanity in Germany is the radical reform of the German money system. This reform must restore the Mark as the true measure of values, as the trusted means of exchange, and therefore as the agent that harmonizes and integrates the economic process. To this end, the 'repressed' inflation must be stopped by two measures at the same time, the one hitting at repression, the other at inflation.... There would be little sense in making an end of the 'repressed' inflation if we were to retain the strangling devices of economic repression and to go on 'directing,' 'licensing,' 'prohibiting,' and what not."

Roepke proposed a central monetary authority and, as was the Freiburg belief, held to a monetarist perspective. He went on to advocate the rebuilding of Germany, not through charity—which he claimed was absurd and unnecessary if the Allies would only let Germany go to work—but through "credits and investments," that would accrue to Germany as soon as a stable political and economic climate prevailed. Roepke also advanced the radical concept of free trade—unilaterally, if need be—to put German exports back into the world market. It was economically obvious that Germany, to recover, was going to have to rely greatly on its exporting success, and reduction of tariff barriers was a logical step to improve foreign trade. Finally, Roepke called for an end to the Allied bureaucratization and, in a pronunciamento not taken as particularly friendly to the French, British, and American overseers, he propounded "a deflation of Allied administration which ought to be as drastic as that of the German currency." Roepke had proposed a currency deflation of 100 to 1!

THE EVENTS

The debate was won, much to the surprise of economists, politicians, and anyone capable of adding numbers, by the liberals from Freiburg. Gaining influence through tireless effort and sheer force of intellect, the liberal school was led into political prominence by Ludwig Erhard, who was to become Economics Minister in the Adenauer administration (1949-57) and then Chancellor (1963-66). The first move was the currency reform in late June 1948. While the complete formula was somewhat complicated, the effective devaluation amounted to an exchange of 100 old Deutschmarks for 6½ new ones. It was quite a deflation.

Yet as Roepke had enunciated, and as Erhard had not forgotten, the currency reform had to entail much more than just new *money*—it had to launch a new *system.* On July 7, 1948, the German government approved a law giving the economic authorities the right to "take all necessary measures in the field of control and to determine in detail which goods and production should be freed from price controls."

The ensuing deregulation was dramatic and shocking to occupation forces. As Erhard notes, "It was strictly laid down by the British and American control authorities that permission had to be obtained before any definite price changes could be made. The Allies never seemed to have thought it possible that someone could have the idea, not to alter price controls, but simply to remove them." With determined action and the strong support of one American, a Gen. Lucius Clay, the German free market exponents were able to blast through the inertia of Allied supervision.

The sweeping success of the currency reform is of little doubt. As Prof. Henry Wallich put it, "The spirit of the country changed overnight." Two observers not native to Germany, Jacques Rueff and Andre Piettre, had the following report: "Only an eye-witness can give an account of the sudden effect which currency reform had on the size of stocks and the wealth of goods on display. Shops filled up with goods from one day to the next; the factories began to work. On the eve of currency reform the Germans were aimlessly wandering about their towns in search of a few additional items of food. A day later they thought of nothing but producing them. One day apathy was mirrored on their faces while on the next a whole nation looked hopefully into the future."

The individual decontrol policies were rather delicate, and Erhard, in his political position, freed everything from price controls that his personal strength in the government would allow. Almost all consumer goods were immediately deregulated (excepting agricultural commodities); wages were set free three months after the currency reform; and industrial commodities (steel, iron, coal, oil, etc.) were gradually deregulated over

the next few years; while foreign trade, which was under technical restrictions in law, was turned to free competition in practice in a very short time. The one area where price control would remain in effect throughout the 1950's was the special case of rents.

The result of this substantial deregulation was to let the Germans take full advantage of the powerful incentives set before them. The gravity of the German postwar condition provided strong motivation for productive effort, yet economic restriction had prohibited the enterprise and imagination of the populace. In a system where supply and demand cannot coincide, the result is economic chaos. In the German instance, the price regulation had legislated massive shortages, for the surest way to curtail supply is to make it impossible to reap the rewards of production. Additionally, the heavy reliance on black markets created vast senseless gyrations and economic waste. Commenting on the explosion of effort in the postreform era, Gordon Hallet has noted how "the startling change between the period before and after July 1948 indicates the extent to which an economic system can either frustrate individual efforts or give them the opportunity to be effective."

Contemporary analysts might paint the German policy as harsh in that it left few rewards for those who did not seek to take care of themselves. While government expenditures on social welfare through transfer payments were comparable with those of other European nations, the State abstained from further economic intrusions via "full employment" policies, subsidies, and income redistribution. In fact the tax policy was shifted to *reduce* the burden on upper-income brackets. The tight money policies pursued by Erhard created buyers'—rather than sellers'—markets.

If the harshness of the policy was great, so was the positive record of accomplishment. Industrial production and national income skyrocketed. Industrial output increased 50 percent within the year, and national income (in constant prices) was restored to the 1936 level in just over a year (it had fallen 20 percent below this figure). Economic recovery was complete except for one plaguing phenomenon—the emergence of unemployment, which steadily rose to a peak of 10.2 percent in 1950. The instantaneous response of the British and Americans was to explain the dilemma in Keynesian terms and diagnose the problem as "insufficient effective demand." The prescription: immediate government and monetary expansion, along with reintroduction of economic controls.

The German response, in the light of the Keynesian revolution, was terribly naive. The Germans theorized that an increased money supply would simply cause inflation and that the employment problem was frictional, fueled basically by the stream (still flowing) of millions of refugees. The resultant policy was a strict balanced-budget fiscal framework and a conservative monetary course by the Deutsche Bundesbank. Unemployment dropped steadily—to six percent in 1952, three percent in 1956, and one percent by 1960. By that year the Germans could boast of an inflation rate of 20 percent—not for the previous year—but for the previous decade. The *Soziate Marktwirtschaft* had produced the economist's Garden of Eden: full employment without inflation.

THE RESULTS

Today, it is superfluous to ask whether or not the German post-1948 economic policies were successful. As the industrial giant of Western Europe, the Deutschland has surpassed countries that were far ahead when the race began, revealing some striking substantiations of free market liberalism.

In the realm of macroeconomics, the German recovery strongly suggests that the Freiburg ideologues were factually correct in claiming the possibility of sustained economic growth without government stimulants. The whole goal of the Erhard policy was to provide a sound, non-inflationary currency, and all fiscal and monetary policies were geared to this. The consistent growth of German industrial output demonstrates the feasibility of noncyclical expansion. Indeed, when interventionist political forces prevailed and activist fiscal policies were instituted (as in the expansions of 1950-51 and, more recently, 1965-66), the fiscal tools were in both instances badly mismanaged. The "booms" that were created turned inflationary and had to be extinguished with deflationary monetary manipulations. The German experience has been to leave well enough alone and provides powerful evidence for Milton Friedman's conclusion—that with the high costs and impossible delays of information gathering, "fine-tuning" is mythical.

The German experience flies in the face of Keynesianism, which concentrates on the inherent disequilibrium of a market economy. It has been remarked that the German economists who administered the Erhard reforms were pitifully ignorant of Keynesian economics and that the performance of these "neophytes" should serve as a painful slap at the doctrines of the Keynesian school. The respective conditions of West Germany and Great Britain in the last 25 years, if a comparison can be made, do not speak well for the real-world results of Keynesianism (albeit bastard Keynesianism).

In rejecting the Keynesian formulas, Erhard consistently balanced budgets in the reform period. The German constitution had even been endowed with a clause prohibiting deficit spending as a tool of the State in "normal" circumstances. While this proviso might be an insignificant obstacle to most government bodies, the German nation had witnessed two crippling inflations in the previous three decades, and popular sentiment was heavily anti-inflationary. With budgets balanced—foreclosing on the possibility of aggressive fiscal action—the central bank made conservative policy decisions regarding reserve requirements, rediscounts, and open-market operations. The money became so "hard" that the interest rate, without inflationary, easy-money credits, dropped to three percent in the early 1950's.

It will be wondered, in our golden epoch, just how the massive rebuilding and subsequent growth of Germany took place without the stimulus of government spending or loose credit. Miraculously, it was financed by the simplest and most direct sources: saving, investment, and overtime. Under *Soziate Marktwirtschaft*, tax credits were liberally granted to savers. Investment tax credits provided incentives for corporations to plow profits right back into capital—almost tax-free. And laborers working

over-time were allowed to retain almost 100 percent of all extra pay. The war and subsequent social and economic ruin provided strong motives for the German nation to gain a better way of life, and when a "liberalistic" tax policy favored individual initiative, the system exploded with enthusiasm. After the 1948 reforms, saving and investment leveled off at 20-25 percent, with the growth rate, after soaring to 20 percent, settling between 5 and 8 percent per annum.

Although the central planners of the German state believed they could have outstripped the achievements of the market economy, the record—in their own bravados—shows differently. Opposition elements in the German government concocted quite extensive predictions for the recovery under a centrally planned framework. Their scenario was the Long Term Plan, submitted to the Economic Cooperation Agency in 1948.

As Wallich details: "It was developed by German experts but reportedly revised upward under the persuasion of the American occupation authorities. Thus it was estimated in 1948 that after the end of the European Recovery Program in 1952-53 the index of production would have reached 110 percent of 1936 (the original German estimate reportedly had been below 100). Agriculture according to the program would have returned to pre-war levels. Foreign trade would be in approximate balance, but only on the assumption the East-West trade could be resumed on a large scale and that Germany could somehow earn 300 million dollars a year from other dollar-short countries to meet a Western hemisphere deficit. . . . Reality has not dealt kindly with these estimates. . . . Industrial production in 1952-53 averaged about 150 instead of 110. Net agricultural output was 111 percent of pre-war instead of 100. The overall balance of payments was highly favorable and even the dollar sector was approaching balance."

Another study was compiled by four German research institutes and was issued in 1950—after the currency reform and when industrial output had regained its pre-war levels. These estimates claimed that five years would be needed by government planners (in addition to $1.5 billion in US aid) to achieve a balance of trade and various agricultural and industrial goals. That these targets were met in 1952-53 (without the aid) is now a matter of historical fact.

Nor can it be objected that the authors of these forecasts could not possibly have known of certain economic conditions external to Germany—the Korean War, for instance. For the whole claim for central planning is that the foresight of planners will outperform the anarchic functions of the market. Planning, by its very name, is the art of extrapolating into tomorrow.

Outside stimuli like the Korean boom are no guarantee of prosperity—that can only come about through the economy quickly adjusting to new demands and successfully competing in world markets. On the basis of the relatively pessimistic plans submitted at the time, it appears that reconstruction would have been considerably slower under centralized planning. If the authorities could only foresee *X* level of output in a given year, that would only necessitate *Y* level of investment the year before. To surpass this level of investment and hence of output, due to "new developments," is next to impossible given planning. So it is that the plan of a nonmarket economy becomes its most optimistic estimate: if everything goes as "planned," this will be the result.

The legimacy of the *Soziate Marktwirtschaft* lay in its basic assumption that economics is to be theorized from an individualistic perspective. The theory implied a social structure that would provide individual economic units with the maximum possible incentives to do what Germans had to do: to produce, to work long hours, to be economically imaginative, to be financially sound, to save, and to invest. These were the precise operations that all economists—socialists, capitalists, and those not so well defined—realized were imperative for success. The debate was whether a planning bureau—centrally—or private citizens—severally—could most effectively perform these actions. The *Soziate Marktwirtschaft* serves as a forceful argument for the latter.

The individualistic methodology has much to provide in its aggregate results. The "German Miracle" (as it is mistakenly called) is a valuable addition to economic history and the science of economics itself. Its message is challenging to all those who would look past the importance of individual action and disregard the spirited nature of private enterprise. When the aspirations of a productive people are fully set free, a tidal wave of entrepreneurial zest and laborious drive can put the horoscopes of the central planners to shame, if not to silence.

EPILOGUE

It is perhaps of little interest to the social scientist, but of great importance to the ideals of man, that the story of the "German Miracle" contains much more than economic data. It is a compelling human drama involving courageous men and a powerful idea. The men were heroes of the Nazi resistance—certainly medal-wining credentials for any political vanguard. Out of the desolation of Hitler and the war arose a philosophy so profound in its appeal against authoritarianism, and so vigorous in its enunciation, that a few men and an idea were able to break the chains of State control and grant a nation a truly new lease on life.

It is a refreshing tale of history that shows us intelligent men, a committed ideal, incredible odds, and then a victory. It is a tale that deserves to remain in our thoughts. ◧

A frequent contributor to REASON, Tom Hazlett works in Los Angeles and provides a regular political commentary on KPOL radio.

Ravenal

(*Continued from p. 32.*)

cal. Now in Vietnam, you often had procedure on the grounds of grudge or suspicion, and that's the kind of thing you have to avoid. But if you can, for a moment, just sort of discount that factor, I think you're left with the fact that it might not be as illegitimate as many people thought to go after the political-military cadres of an opposing, although sort of covert, military organization. It's not an open-and-shut case against such things as the Phoenix Operation.

REASON: Well, our time is up. Thank you very much. ◧

Energy Conservation: How Much Is Too Much?

viewpoint

Alan Reynolds

At the depths of the Great Depression, US Geological Survey data proved conclusively that if the United States continued to consume petroleum at even the rather austere 1933 rate, the country would run out of proved reserves in 15 years. In 1944, the United States had only a 14-year supply of proved oil reserves at the 1940-44 rate of use.

The lesson from this is that proved reserves have rarely looked adequate to last more than a decade or two, even without any increase in consumption. But reserves have in fact turned out to increase substantially despite sizable increases in consumption. US proved reserves of petroleum were 7.2 billion barrels in 1920, 19 billion in 1940, and 39 billion in 1970 (at $3.18—not much above the $3.07 1920 price). Even US oil reserves, much less world reserves, have scarcely shown signs of rapid depletion, although each generation has expected that the end was near. In 1958, the world's known crude oil reserves were estimted at 275.7 billion barrels; in 1976, one estimate was 678 billion.

In his first energy message, President Carter nonetheless claimed that if world oil consumption continued to rise by five percent per year, the world would run out of proved reserves by the end of the decade. The trouble with that statement, as we have seen, is that it has almost always been equally true in the past. The United States was sure to run out of oil in 1948, and again in 1962, but it didn't. The entire world would surely have run dry by now, too, if we had drawn down the 1959 proved reserves instead of nearly tripling them.

Long before the world runs out of oil, the presumed growing gap between demand and supply would, of course, drive the price sky high. Such prices would have to stop or reverse the growth in demand, because neither consumers nor nations have unlimited budgets. We will not simply run full speed into a situation of zero supply without any warning or reactions.

But soaring prices would also provide both the means and the incentive to increase reserves. There is some room for rational disagreement over the possibilities for increasing the reserves and production of fossil fuels. Nobody really knows what another generation of technological improvement will accomplish in the way of squeezing more oil and gas out of existing wells, or exploiting oil shale, tar sands, offshore oil and gas, and geopressurized methane gas.

What cannot be disputed is that, in the absence of government price controls, there will always be some price at which demand and supply will be in balance. Since that price would become prohibitively high (relative to alternatives) if we were literally running out of oil and gas, it is virtually certain that oil and gas will become economically obsolete long before they are entirely gone.

Both the United States and the world will, of course, eventually run out of all fossil fuels that can be sold at a price that will justify their development. That is, we will run out in an economic sense, not a physical sense. Some oil, gas and goal will simply be too costly to recover.

It is often said that because we will ultimately run out of fossil fuels, we should conserve some for future generations. Or, it is said that since we will run out anyway (particularly of natural gas), there is no point in letting the price rise to encourage added production, since that would just push doomsday in a little closer. These arguments are extremely weak, and following them would actually *promote* waste.

If a non-perishable resource like oil is expected to be extremely scarce and valuable in the future, private owners will have an incentive to conserve it unless the revenue from selling oil now could be invested in such a way as to yield more money in, say, 10 years than waiting to sell the oil then. If oil is really more valuable for the future than the goods that can be made by using oil now, then the discounted present value of leaving oil in the ground will exceed the price of selling it today. On the other hand, if it is more lucrative to pump the oil now, and invest the proceeds, then those who have the best incentive to make accurate predictions must expect that oil is more valuable now than it will be later.

The market's natural tendency to promote such rational conservation is thwarted by the absence of secure private property rights in energy resources (many of those resources are owned by governments, or subject to expropriation or divestiture). Moreover, if such conservation by producers did occur, it would probably be called "hoarding" or "withholding," and be promptly investigated. That gives some indication of a degree of insincerity in the prevailing rhetoric about conservation.

Restricting supplies of an exhaustible resource, whether done by the OPEC cartel or by a conservation policy, cannot be of any lasting benefit to private resource owners. The long-run supply is already restricted by nature, so that further restrictions can only raise prices now at the expense of lower prices later. This is why supply restrictions are always imposed by OPEC and US governments, whose myopic concern for short-run political benefits contrasts with private owners' desire to maintain the optimal value of their property.

Consuming energy often means converting it into more valuable forms of wealth, such as construction of a factory or feeding the world's starving children. If conserving energy means the failure to use it to expand wealth and economic capacity, then future generations would inherit more energy resources, but less wealth and a less productive economy. It is not at all obvious that they would make that choice, since oil and gas may become museum curiosities in a few generations.

A related argument for holding the prices of US oil and gas below world prices is that higher prices would not increase domestic energy supplies, and increasing supplies is futile anyway since they will be gone some day. One unimpressive piece of evidence that is frequently cited (e.g. by James O'Leary) is that natural gas prices rose sharply last year, but supplies still declined. The obvious error here is that it takes *years* to explore and develop natural gas, and to hook up the necessary pipelines. Such long-term expansion cannot be accomplished in a year, and not much will ever be accomplished if price changes are

(*Continued on p. 48.*)

foreign correspondent

Mideast Doldrums

DUBAI. Despite its small size, the United Arab Emirates boasts a large number of airports, harbors, and shipyards. Much duplicate construction is due to the abundance of oil money and the rivalry of governments—not only between neighboring states but also among the semi-autonomous emirates making up the UAE.

Many of the basic investment decisions (e.g., on airport construction) are based on political rather than on economic considerations. There are conflicting pressures, toward a strong central government on one hand, and toward maintaining a strong local autonomy on the other among the various emirates.

With few exceptions most of the other emirates are rather poor and thus easily swayed toward the hegemony of the central government in oil-rich Abu Dhabi. Its ruler, Sheikh Zayed Al Nahyan, is also the President of the federation of the seven emirates constituting the UAE.

More and more of the various powers of the State are being vested in the federation government, which is attempting to unify many of the existing laws of the emirates. As more of the power gravitates towards the center there is less likelihood of duplication of the various major economic projects already undertaken.

Still, such decisions are not likely to be free of political influences. There will merely be a shift from small-scale statism to statism on a larger scale. As far as the local economy is concerned it is less likely to be free and more likely to be regulated. An instance of such control is the newly introduced regulation of food prices.

One of the fastest expanding of the seven emirates had been Sharjah. No longer. With the promise of oil yet to materialize and with a heavy influx of funds from parent emirate Abu Dhabi running dry, the plight of Sharjah is severest and reflects in one way or another the economic malaise affecting the other emirates. Unfinished construction projects, sprawled all over the tiny city state, are left unfinished and with little hope of completion in the very near future. The skyrocketing rents of nearly a year ago are not falling but crumbling, as we expected, and apartments are going begging for tenants. Sharjah, with its chronic electricity shortage, is a ghost town by dusk. Ironically, it is still one of the very few emirates that sells its land to the buyer irrespective of his citizenship.

Now that the influx of immigrants is down, due to recession and Lebanese returning home after their prolonged civil war, the central government in Abu Dhabi, harping on its favorite theme of internal security, is turning away prospective immigrants and encouraging foreign residents to leave. With local citizens constituting only about 10 percent of the current population, xenophobia rides the waves again.

Business bankruptcies are becoming common. Financial institutions are in a tight position, with several banks recently saved from bankruptcy only by government intervention. Where at one time you had to book months ahead for a room at the local Intercontinental Hotel, occupancy is now running at roughly 50 percent.

In general the central government intends to play a heavy role in economic affairs. In politics, no opposition is to be allowed to function according to a recent declaration of intent. The feudalistic character of this emerging modern state will be preserved.

Arabs sense that one day they will not have oil. As a result, all sorts of local industries, from farming to sulphuric acid plants, are being encouraged. For the moment, apart from oil, hardly anything locally produced is being exported. On the other hand, imports are still on the rise and will remain so for quite some time to come.

Businessmen face rising government pressure to seek local partners, whose functions are usually to lend their names to the partnerships and take a cut of the profits. This type of windfall for local partners is one of the welfare measures actively pursued by the central government.

Saudi Arabia, the neighboring big brother, is promoting Islamic fundamentalism in law and social institutions. There are strong moves emanating from Abu Dhabi to outlaw the sale and consumption of alcohol altogether, just like in Saudi Arabia. However, the initial step will probably be limited to complete prohibition of alcohol consumption by Muslims. Offenses are to be punishable by such means as public lashings, etc. The only casino in the emirate of Ras Al Khaimah recently got the axe despite the local emir having a financial interest in its operation.

The libertarian aspects of the UAE are fast fading away, another inevitable victim of the philosophies of its comrades in the Third World. A strong need for pomp and glory is fast replacing the relevant concerns of the State.

On the Palestinian issue the official stand of the government is one of sympathy and support. Every airline passenger leaving the emirates is obliged to contribute toward the Palestinian cause. At the same time, local Palestinians are considered an embarrassment and the government definitely would not like to have them on their soil. All Lebanese Palestinians were recently evicted on the argument that the civil war, which was the cause of several of them landing in these emirates, is now over.

Probably the most encouraging news in the area comes from Israel which is beginning to give free rein to the market. There is hope that some of this will brush off on its new friends in Cairo, which is beginning to get tired of the old socialistic ways of running its economy after the economic mess it finds itself in.

At a time when the local economy is in trouble and the dollar (to which the local Dirham is pegged at a fixed rate) is falling—thus making imports more expensive—there are strange rumors of the Dirham being revalued and of impending exchange controls. Most of these rumors are unfounded. What is true, however, is that the government has decided to dissolve the present currency board and replace it with a central bank, much to the distress of the various local and international banks who are afraid they will lose a considerable amount of business. As for the currency, there are attepts to have it free floating, based on a basket of currencies as yet undefined. The grandiose scheme of having a common currency for all the Gulf countries, has been, for the moment, shelved. On top of all this comes the proposal to raise the duty on most imports from the current three percent to eight percent which will make practically everything sold here still dearer.

As a counter to all this gloom, it is rumored that the Ruler of Dubai, Sheikh Rashid Al Maktoum, who enabled the economy to thrive on free trade, is getting disenchanted with the interference, both political and economic, by the central government in Abu Dhabi. It is difficult to predict what course, if any, he might take to once again liberate Dubai from the strangulation it is currently suffering.

Prakash Aswani

spotlight

Taking on Leviathan

Few men espouse the philosophy of free enterprise as consistently and articulately as Dr. George Charles Roche III, the president of Michigan's Hillsdale College. Although only 43, his record as an administrator willing to challenge the federal government is an impressive one. To help alleviate in new areas the impositions of big government, Roche has recently taken a leave of absence from Hillsdale—ir an effort to become the next United States Senator from Michigan.

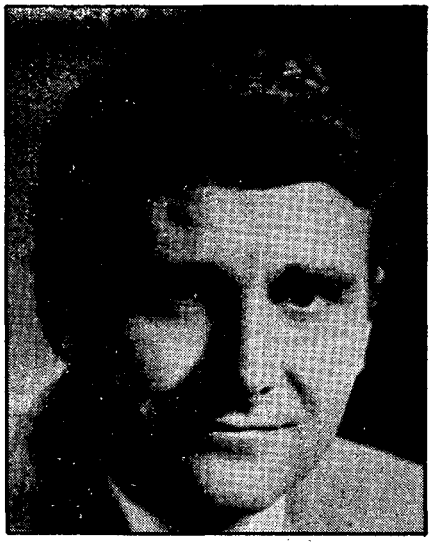
The roots of Roche's commitment to individualism can be traced to the Rocky Mountains of Colorado of which he is a native. "Our family was not poor," he recalls, "but we had to work hard for a living. There was a strong preference for self-determination and responsibility—the values implicit in an earlier, pioneer America."

Roche's subsequent education and work experience reinforced these familial preferences, and allowed him to develop a political, economic, and philosophical rationale that was both free-thinking and devoted to free market principles. He received his A.B. from Denver's Regis College and then served two years as a Marine Corps officer. His M.A. and Ph.D. degrees, both in history, were awarded by the University of Colorado, where he also taught for one year. After teaching history and philosophy at the Colorado School of Mines, Roche was appointed director of seminars at the Foundation for Economic Education, a position he held for five years until becoming the 11th president of Hillsdale College in 1971.

Hillsdale College, a small (1100 students), coeducational, private school in southern Michigan has gained national attention due to the efforts of Roche and an unlikely partner—the United States Department of Health, Education, and Welfare [see "The College that Told Uncle Sam Where to Go," REASON, August, 1977]. HEW claims that Hillsdale is a recipient institution of federal aid because 205 students, as individuals, accept veterans' benefits and government loans to pay for their tuition. According to Washington, that means the college must conform with all of HEW's affirmative action programs and other requirements imposed on educational institutions that accept government funds.

For all of its 133 years, Hillsdale College's campus has been open to blacks and females and has never taken a penny of federal aid, a tradition it does not intend to disrupt. As president, Roche rallied conservative forces and launched a three-year $29 million fund raising drive, $14.7 million of which is earmarked for scholarships. "We have already raised $12 million for the endowment fund," reports Roche, "and we have effectively beaten HEW into a corner. Our stand against HEW is unique and by this stand we have dramatized the case for the private sector."

Now that the fights have been fought and Hillsdale is in good shape financially and academically, Roche has decided to run for the United States Senate seat



George C. Roche III

held by veteran Republican Robert Griffin. "My political interest is comparatively new," states Roche, "and I would much rather remain in the private sector; but if someone does not do something soon, there won't be any chances left to mount an opposition. It is in order to protect and preserve the private sector that I seek an office in the public sector."

Roche prefers the private sector where an individual can speak his own mind, but the political sector receives much more attention and one of his objectives is to attain high visibility for the anti-big government cause. Although he does not minimize the obstacles in his way, he sees a significant chance of winning the Republican nomination—and perhaps victory in November. "If it is done in a major industrial state like Michigan," he says, "the whole country will watch. The reconstitution of the fibers of our country is possible because it's our country too—and we *can* take it back."

To date, there have been impressive signs of support for Roche's candidacy. He has received statewide recognition from Republicans in the form of contributions and Party-sponsored social gatherings. Response from state Republican headquarters has been favorable. Financially, Roche leads all other declared candidates, and his campaign staff reports that he has just hit the $200,000 mark. Roche also has been well received by the media in Michigan with coverage throughout the state on radio, TV, and newspapers.

The principle behind Roche's approach to life is a strong commitment to privacy and individual integrity. He sees a crucial importance to instilling a moral sense in individuals. If the world does not understand this, it's sad but, emphasizes Roche, "It doesn't change anything, we still have the responsibility to do what is right."

Vigorous campaigns for Hillsdale College and the United States Senate have necessarily limited time with his family, the pastime Roche values most. But the support of his family, and that of the college community, has encouraged him to do battle with considerable success against a formidable foe.

Dr. Roche lists the HEW stand, the strengthened academic and financial position of Hillsdale College, and five books on political philosophy, education, and affirmative action as the accomplishments he views with the most pride. Defenders of civil and economic liberties can rest assured that Roche will not rest on his laurels; whatever the outcome of the Michigan Senate contest, Dr. George Charles Roche III will continue in his private and public capacities to champion freedom.

"The only freedom which deserves the name is that of pursuing our own good in our own way, so long as we do not attempt to deprive others of theirs, or impede their efforts to obtain it. Each is the proper guardian of his own health, whether bodily, or mental and spiritual. Mankind are greater gainers by suffering each other to live as seems good to themselves than by compelling each to live as seems good to the rest."

—John Stuart Mill

washington watch

The Coming Year

One may hope that the year ahead will contain few surprises such as the one which greeted most members of the Senate on the first day back from the Christmas recess. With notice of a day or two, Senators found themselves facing one of the most complex pieces of legislation they may ever have to vote upon. S. 1437, this year's version of the controversial S. 1 of ill fame, is a revision of the US Criminal Code, which has been accumulating in a rather random fashion for almost 200 years.

S. 1 had a number of provisions which alarmed civil libertarians, and was controversial enough never to get out of the Senate Judiciary Committee. S. 1437 was the result of compromise sessions presided over by Sen. Ted Kennedy (D-MA) and the late Sen. John McClellan (D-AR). The result was an improvement over S. 1, but most Senators thought they would have more time to peruse its 382 pages before having to vote. But Kennedy and Strom Thurmond (R-SC) got together with Senate Majority Leader Robert Byrd (D-WV) to push immediate consideration on the first day back from vacation.

The measure passed with few amendments. It now goes to the House, where the Judiciary Committee is expected to look long and hard at it, and be more open to suggestions from civil libertarians than was the Senate.

Aside from that little shocker there are likely to be few surprises in this election year. A desultory debate over the Panama Canal and a tax cut are likely. Maybe energy, maybe not. Maybe Koreagate.

Relations between President Carter and Congress are unlikely to improve appreciably. There will be election-year protestations of undying love among Democrats, but Carter came into office while Congress was riding a wave of self-assertiveness. In response to Vietnam, Watergate and Nixon, Congress has been flexing its muscles (such as they are) lately, and seems to be in a relatively long-term wave of relative assertiveness *vis a vis* the Executive Branch. Carter's inexperience and arrogance compounded the situation, but it is unlikely that even a Democrat with Congressional experience would have fared much better.

If there is a war or a widely shared perception of national crisis (such as Carter tried and failed to induce regarding energy) the power pendulum will probably swing back to the Executive. But for now the Legislative Branch is feeling its oats. That should be good news for those who propose decentralizing alternatives.

Airline Deregulation (Again)

A Senate vote on airline regulatory reform is likely sometime late in February (it will probably have occurred by the time this is printed). Assuming that the Senate passes an acceptable bill the action will move to the House. The Aviation Subcommittee of the House Public Works Committee has jurisdiction. Chairman of the subcommittee is Glenn Anderson (D-CA) who supports reform, and whose bill will probably serve as the mark-up vehicle, though Rep. Phil Crane (R-IL) has introduced a more far-reaching reform measure.

Mark-up sessions were scheduled to begin March 1. Letters to subcommittee members supporting maximum competition, maximum market entry and maximum pricing flexibility, would be helpful. Subcommittee members are Roncalio (D-WY), Milford (D-TX), Levitas (D-GA), Hefner (D-NC), Young (D-MO), Stump (D-AZ), Mineta (D-CA), Ambro (D-NY), Edgar (D-PA), Fary (D-IL), Ertel D-PA), Evans (D-GA), Flippo (D-AL), Rahall (D-WV) and Gene Snyder (R-KY), Hammerschmidt (R-AR), Cochran (R-MS), Abdnor (R-SD), Taylor (R-MO), Goldwater (R-CA) and Shuster (R-PA).

Most of these Congressmen still know little about airline regulation and they will be hearing reasonable-sounding arguments against reform (it would let the big airlines gobble up the little ones, cause financial instability, not really lower fares, etc.). Letters may be addressed to any of them c/o US House of Representatives, Washington, DC 20515. If you could send a copy of your letter to Libertarian Advocate (P. O. Box 3117, Falls Church, VA 22043) we can use it in our personal lobbying.

Humphrey-Hawkins

At this writing, it seems very likely that some version of the Humphrey-Hawkins centralized economic planning bill will pass Congress. The combination of sentiment emanating from Humphrey's death, Carter's endorsement and the self-delusion of numerous politicians who want to believe we can have prosperity by passing a law demanding it, will probably be too much for the still feeble opposition. Opposition to a command economy on principle seems to garner no attention at all. The business community has waffled and wavered, and the Republicans have been little help. Perhaps it is just the inevitable culmination of current trends, but one cannot help the urge to cry out with Dylan Thomas: "Do not go gentle into that good night."

The House will probably pass Humphrey-Hawkins. Perhaps the only hope for defeating it is a filibuster-by-amendment in the Senate, though even that may prove a futile gesture.

Letters of protest may be sent to Congressmen (US House of Representatives, Washington, DC 20515) and to Senators (US Senate, Washington, DC 20510). Please.

Energy Update

The surprise opposition of the NAACP to Carter's energy fiasco and the "no-growth" mentality it embodies may have put a small roadblock into the enactment process, which was already virtually stalled. The death of Sen. Lee Metcalf (D-MT), a pro-regulation member of the Conference Committee has put another imponderable into the equation.

Libertarians should pen a short note of congratulations to the NAACP for taking a stand which required a great deal of political courage and good sense (NAACP Energy Project, 1790 Broadway, New York, NY 10016).

Meantime, even if the energy bill isn't passed, a large number of its more noxious provisions will probably be put into place through administrative edict from the Energy Dept. We'll try to keep you updated on the latest outrages.

Alan Bock

Alan Bock is Director of Libertarian Advocate, P.O. Box 3117, Falls Church, VA 22043, a pro-freedom lobbying and advocacy organization.

"The more the government has tinkered with the marketplace, the worse things have become. It is folly to believe that the same people who created this energy mess can now improve the situation."

—Former Treasury Secretary William Simon

money

The Strong Get Stronger

There's a theory that currency depreciation is good for you. The fall of the US dollar on world markets is welcomed by those who think a cheaper dollar will mean cheaper American exports and raise the cost of imports. The result: more American business abroad; fewer imports on the American market; a lower deficit and so on.

The corollary of this theory is that a *strong* currency is harmful to an economy. If the currency rises in value relative to others, products are priced out of export markets and imports increase. The first part of this theory is current in weaker currency nations, such as the United States, Britain, Australia, Denmark, France and elsewhere. Its corollary is general in such harder currency nations as Germany, Switzerland and Japan.

Like so many economic theories that form government policies, this one is working, right at the moment. Had it been when the pound sterling fell from $2.00 in March 1976 to $1.60 in early 1977, British exports would have risen, imports declined and its trade deficit shrunk. Similarly, Switzerland's Germany's, and Japan's trade deficits would all have risen as their products were forced out of world markets, or the strength of their currencies would have been checked.

What actually happened? Swiss exports *rose* a record 11 percent in 1977, a year in which the Swiss franc gained 22 percent on the dollar, and in the month of November, Switzerland recorded its first ever *trade* surplus.* The size of Japan's surplus increased in 1977 and Germany's remained roughly the same in 1977 as 1976. Britain has seen its trade deficit drop due to North Sea oil, not the devalued pound.

Naturally, changes in currency values have not been without effects on international trade. Because the Deutschmark has risen against the dollar, Volkswagen has had to substantially increase prices in the United States. Its market share has fallen for this and other reasons. But that was a problem for Volkswagen, not the German economy. Similarly, when the pound fell, thousands of Europeans and Americans flocked to London taking advantage of the travel and shopping bargains. When the Mexican peso plunged against the US dollar, the number of Mexicans who crossed the border to purchase their groceries plunged too, creating problems for a number of American border towns. Thus, changing currency values alter the underlying *pattern* but do not result in the weak becoming strong and the strong becoming weak.

This theory arose under the Bretton-Woods fixed currency agreement. When a government could no longer support its currency at the agreed, fixed price, it was allowed to devalue. When it devalued, exports rose, imports fell, the deficit dropped and all was well once again. Temporarily at any rate. The government had to devalue because it had been inflating its currency at a higher rate than the rest of the world. Devaluation worked, then, because bulk of the western world was *not* following wildly inflationary policies.

Thus, although the theory is economically accurate, it no longer works as it used to. For a start, the prices of German and Japanese cars have been rising in the United States. But then, *so have the prices of American-made cars.* When the pound falls, British products may become cheaper in German marks, but as internal British prices have been rising faster than domestic German ones, the pound's drop may do little more than compensate for the difference in changing price levels.

The primary reason the pound falls or the Swiss franc rises is that the government of England is increasing the supply of pounds faster than the government of Switzerland is printing francs. It's a simple case of supply and demand. But more factors are involved when considering currency relativities. For example, when the pound fell, theoretically giving Britain a price advantage over Switzerland in the European Economic Community, Europeans continued to buy Swiss. The Swiss might be more expensive, but they deliver higher quality products *on time.* Price, after all, is only *one* consideration in the buyer's mind.

One factor which has been completely ignored is the effects of inflation. The Swiss businessman does all his calculations in a stable currency. Unlike his American or British counterpart, his profits are not overstated because of inflation and he does not, therefore, pay taxes on grossly exaggerated profits. His real costs are lower and what's more they are *predictable.* The hidden costs of inflation cannot be underestimated—as Mises, Hayek, Rothbard and others have all pointed out. Those costs are significantly less onerous on the Swiss, Germans, and Japanese.

Also, associated with inflationary government policies is widespread government intervention. Like taxation, intervention substantially raises the cost of doing business, and thus the prices products must be sold at have to be considerably higher than those produced in countries with lower levels of government intervention, taxation and inflation.

In sum, countries with strong currencies will expand their trade at the expense of weaker currency nations. As governments still intervene widely to support their monies, this trend will be exaggerated. The German and Japanese governments intervene by buying dollars to keep their currencies from rising. (One result is to prevent the dollar from falling.) Thus Japanese and German products are kept relatively underpriced—and American products relatively overpriced. This trade effect of inflation multiplies the natural tendency for inflation ridden currencies to sink against their stronger partners.

Devaluing a currency is no longer a panacea. A weak economy begets a weak currency, and a strong currency is impossible unless the economy behind it is strong; which means: relatively free. So long as a country is ridden with inflation, intervention and taxation, its currency is bound to fall. And betting on the strong money will be a safe bet until the governments of weaker nations reform.

Mark Tier

* I.e., excess of exports over imports. Switzerland has historically run a *trade deficit,* importing more goods than it exports. The deficit has been paid by "invisible earnings": banking services, insurance, and so on.

"This is the history of governments—one man does something which is to bind another. A man who cannot be acquainted with me, taxes me; looking from afar at me ordains that a part of my labor shall go to this or that whimsical end—not as I, but as he happens to fancy. Behold the consequence. Of all debts, men are least willing to pay the taxes. What a satire is this on government! Everywhere, they think they get their money's worth, except in these."

—Ralph Waldo Emerson, Politics

movies

• Saturday Night Fever • Equus • The Lacemaker • I Never Promised You a Rose Garden

• **SATURDAY NIGHT FEVER** has a thoroughly credible story line, infectious acting, constant motion, and endless amounts of verve and vitality. Whether there is "never a dull moment" in it for you will depend largely on (1) how much you relish frequent scenes of ballroom dancing to the accompaniment of jukebox music, and (2) whether you enjoy the unvarnished depiction of lower-middle-class Italian life in the Bay Ridge section of Brooklyn. That life is depicted with great attention to fidelity, down to the character-portraits of each member of the family. There is sometimes an element of caricature, but on the whole the Brooklyn milieu is just as well done as is the Philadelphia milieu in *Rocky*.

In a way, "not much happens": the events are of not much interest or significance in themselves, but are largely instrumental toward rounding out the characterizations. The film is a perfect vehicle for John Travolta, who acts and dances, makes love and war, all with equal verve and abandon. The film has an R rating largely because of the endless stream of gutter language—which is, however, not used simply for effect but as a reflection of the persons and the mores depicted.

The film is a vivid "slice of life," with just a hint of nascent idealism, which never compromises the plausibility of the characters or their motivations. Some will say that the film is merely an explosion in a cesspool, whereas others will say, more plausibly, that the vividness of the action and the incisive details of characterization are enough to lift it to the level of art. At any rate, the "slice of life" is lively and illuminating, and the pace of the film never lags. These features alone are enough to place it, if not in the top drawer, considerably above average film fare.

—John Hospers

• **EQUUS** was an excellent play.

It's about the last play that should ever have been made into a movie.

Richard Burton is about the last actor that should have been selected to play the title role.

Sidney Lumet is a fine director—given the right material. This material is entirely wrong for films.

In his memorable essay "Style and Medium in the Motion Pictures," the famous art critic Erwin Panovsky describes the differences between stage material and screen material. The essence of film is *motion*. On the stage, "Hamlet can enthrall just lying on his couch, hardly visible, by his great speech alone. But with movies, the spectator is in permanent motion. The eye identifies with the lens of the camera, always shifting in distance and direction." Bodies move in space, but even when motionless as the Rock of Gibraltar they are invested with a semblance of movement —approaching, receding, turning, dissolving, recrystallizing. "The invention of the sound track did not change the basic fact that a moving picture, even when talking, remains a picture that moves, and does not convert itself into a piece of writing that is enacted. It remains a series of visual sequences held together by an uninterrupted flow of movement in space."

When we do have monologues in film, we get facial close-ups. Why? In film what we hear is fused with what we see, and the sound cannot express more than is expressed at the same time by visible movement; so the face of the speaker shows "every subtle movement of the features, imperceptible at a natural distance, and becomes an expressive event in visible space, and thereby completely integrates itself with the expressive content of the spoken word—whereas on the stage, the spoken word makes a stronger rather than a weaker impression if we are not permitted to count the hairs on Romeo's mustache." In film, everything that happens in time, even thoughts and feelings, must be thus made visible.

All these precepts are violated in this very uncinematic film. Lumet should have read Panovsky and learned what his medium can and cannot do before venturing on *Equus*.

—J.H.

•**THE LACEMAKER** is a low-keyed and leisurely paced French film, and the presentation of the story is disarmingly simple and direct. Its scope is modest; there are really only two characters, a boy and a girl. But the film succeeds in being engaging, subtle in its own way, and hauntingly tragic. Just when you think its simple exposition is too slow and that the film is starting to drag, you begin to realize where it's going, and why the bit-by-bit accumulation of character-detail is taking place. To see it is to pass through a pleasure-pain experience like hearing Messaien's "L'Ascension."

This is no stereotypical tale of lost love. Each person is a distinct individual, not a type. The usual classifications won't fit either. He is not the total blackguard nor she the entirely innocent victim—a viewer who sees it in this way has missed the subtlety. He saw dangers that she didn't see, acted to forestall them, and could do it only by rejecting her. Yet the very innocence and simplicity, which later wasn't enough for him, was the very thing that attracted him to her—and would presumably attract him to anyone else who came after. One realizes that there is no solution at all to some kinds of human problems, even when they involve just two people (never mind a whole nation or society).

If the final effect of the film on the viewer is mixed, it is probably because, at some level or other, the pessimistic implication of the story comes through, while yet it has been so poignantly rendered that, as with all good art, we are happy that it was set before us so well, retaining both its artistic integrity and its total commitment to truth.

—J.H.

• 1977 was a fine year for actresses. Three more sensitive performances are racked up in **I NEVER PROMISED YOU A ROSE GARDEN**—by the great Swedish actress Bibi Anderson (the psychiatrist), Kathleen Quinlan (the patient around whom the film centers), and Sylvia Sidney (another patient). The film is finely crafted and done with considerable flair and imagination: for example, the powerful forces within her resisting recovery are personified before us in fantasy scenes (much as Freud's Id, Super-ego, and Ego were often thought of as separate persons, like the Trinity)—a cinematic device which adds to the drama and is suited to the medium.

This film, however, is emphatically not a feminine counterpart of *One Flew over the Cuckoo's Nest. Cuckoo's Nest* had the structure of a Greek tragedy, with all the cumulative power of that art form. *Rose Garden* remains essentially a psychological case history, the story of one person's long road to recovery after the indelible scars wrought in childhood. (*Continued on p. 48.*)

books

Behavior Mod and the Managed Society

By Robert L. Geiser
Boston: Beacon. 1976. 175 pp. $9.95

The Myth of the Hyperactive Child (and Other Means of Child Control)

By Peter Schrag and Diane Divoky
New York: Pantheon. 1975. 285 pp. $10/ $2.25

The Tomorrow File

By Lawrence Sanders
New York: G.P. Putnam, Berkley Medallion. 1976. 551 pp. $1.95 (paper)

Reviewed by Ann Baldridge

Science fiction is defined as "fiction of a highly imaginative or fantastic kind typically involving some actual or projected scientific phenomenon. (*Webster's New World Dictionary,* 1970).

Nowadays it's frequently hard to tell where reality ends and science fiction begins, a fact underscored by three recent books. The first two are about today's society, the third is science fiction, and the similarities are devastating.

In *Behavior Mod and the Managed Society*, Robert L. Geiser, chief psychologist in a Massachusetts child study center, tackles B. F. Skinner and his apostles with the charge that their motivation, whether they acknowledge it or not, is actually to control others.

With an extensive array of evidence, Geiser backs his contention that behavior mod is being practiced in prisons, mental hospitals, and schools. He argues that these controlled environments are being used as a laboratory for experiments aimed at perfecting procedures to be foisted on all of society in the future. He questions, as have others, the morality of tinkering with another's psychology, even for a "good cause." While not explicitly demolishing the logical errors of determinism, Geiser does observe that most behavior modders (his term) discount the role of cognition (man's mind) in learning and in behavior changes.

He acknowledges that a few do, indeed, utilize cognitive ability in changing behavior, but such strategies are limited to voluntary programs—those to help people to quit smoking or drinking or to lose weight, for example. Inside institutions, current theorists and handlers treat people as if their minds are, if not nonexistent, at least unnecessary. Prisoners, school children, and mental patients are subjected to all sorts of evils in the name of science. Most of the subject institutions, by the way, are financed and their programs are approved by government, local and federal.

The "treatments" provided to their charges include:

- Psychosurgery (not frontal lobotomies any more, but other, "more sophisticated," surgeries)
- Drugs (a large variety, including one that paralyzes prisoners until they panic for their lives—"aversion therapy")
- Electric shock (via electrified cattle prods, which "motivate" retarded and learning-disabled children to move)
- Tokens and goodies (M&M's, smiles, pats, and kind words, used to reward some behavior in a process known as operant conditioning)

The alleged purpose of the described therapies is to get people to exhibit *acceptable* behaviors, with "acceptable" defined as that which causes no trouble for those in charge: guards in prisons, teachers in schools, caretakers in mental hospitals.

Behavior Mod and the Managed Society is an incredible book to read because it describes and documents procedures that are happening here, now. One thinks such savagery could only be imposed in countries where dictatorships tolerate no differences of opinion or personality. Since Geiser notices that the behavior-mod communes/societies (patterned after Skinner's *Walden Two*) have not worked well, he concludes that it's unlikely that behavior modders actually will be able to *manage* society.

But, that's the one poorly documented conclusion in his book. And the second book discloses yet another strategy that potential dictators have at hand—the conditioning of very young children.

In *The Myth of the Hyperactive Child*, Peter Schrag and Diane Divoky examine the rapidly spreading notion that many behavior problems are but symptoms of minimal brain dysfunction—which can and must be caught early and "treated." The authors emphasize that the "treatments" they describe are *not* those used with authentically handicapped children such as the severely retarded, the blind, the deaf, or the autistic. Rather, they are prescribed for children such as yours and mine—kids of average or above-average intelligence with their limbs and sensory organs intact—who deviate, however slightly, from an established norm. Their so-called problems range from not being able to sit still in school, to "predelinquency," as determined by teachers, social workers, or law-enforcement officers, often ill-qualified. (But even if they were highly qualified, the term "predelinquent" has no specific meaning and is, in itself, nonsense.)

Schrag and Divoky are concerned with the rampant labelling, drugging, and shaping of and compiling of dossiers on fairly normal kids. While acknowledging that a miniscule percentage of children actually do have brain dysfunction problems that should be helped, they counter that the indiscriminate application of a diagnosis such as "hyperkinetic" or "hyperactive" (which refer to specific problems) is a cruel and incompetent travesty. But it's happening every day. Such an appellation has been attached to an autistic three-year-old who got nervous when visiting his pediatrician, to a child who fell behind his peer group in learning to speak, to a kindergartner who found it difficult to sit still in class, even to a four-year-old whose nervous behavior was later found to be a reaction to food allergies. In each of these cases, the last three at the referral of a "lay counsellor," a pediatrician prescribed Ritalin or another amphetamine for the children.

Drugging, of course, does not get to the problem itself. The *child* still has a problem. But now he's drugged and peaceable, so the parent or the teacher or the social worker or the law-enforcement official doesn't have the problem anymore. That the child is likely to be depressed and miserable, his normal development impaired—let alone the risk of his becoming addicted—is seen as a small price to pay for quiet in the home, the classroom, or the society.

One of the most alarming aspects of the thrust toward child control is the designation of normal kids as "predelinquents." Schrag and Divoky report that mostly these are children who have run away from home, smoked a joint, or drunk a beer—and been caught. Typically, they are coerced into behavior-mod classes or therapy by the Catch-22 threat that, if they don't, they'll be prosecuted and "get a record." But, in order to justify treatment, the kids are booked into a substructure of police records that in many places are computerized and circulated even more freely than court records. That police record, along with school records, forms a dossier available

to almost everyone. Whether it's right or wrong, whether or not the child is cleared of any charges, it's there in black and white, available to all other governmental agencies and often to colleges and prospective employers. The parents and the child, however, usually can't even see the dossier unless they sue. Getting it changed is impossible—the only recourse, even through extensive court action, is to *add* to the existing dossier a "statement" of dissension.

The book starts by quoting a 1969 memo from then-President Nixon to the Secretary of Health, Education, and Welfare asking advice on a proposal by one Dr. Arnold A. Hutschnecker that advocated the virtual takeover of children by state and federal governments. Although much too heavy-handed ever to be swallowed whole by the American public, it came hard on the heels of the Great Societies of Kennedy and Johnson and has become the tacit premise upon which today's social workers, teachers, and school administrators act. Having provided excellent documentation, the book ends with a restatement of individual rights and a serious warning about their demise.

Both *The Myth of the Hyperactive Child* and *Behavior Mod and the Managed Society* are nonfiction, written to disclose what's happening so that individuals may take action. And if we don't....

The Tomorrow File projects a culture where all the evils delineated by the first two books are built into the value system of the people. Set in 1998, *The Tomorrow File* presents an almost totally controlled populace from the point of view of the protagonist, Nicholas Bennington Flair. Flair is brilliant, with his high native intelligence aided by drugs, and has attained a top bureaucratic post in the hierarchy of the State.

Lawrence Sanders, the author, lets language disclose the history of what has gone before. People are now "objects." Dissenters are "obsos" who haven't been shaped by behavior mod, drugs, or genetic tinkering. What happens to individuals and their minds under these conditions constitutes the plot. Sanders does not pronouce moral judgment, although he leads the reader right to that door. His method makes the book exceptionally chilling; true horror is present in the events by their telling.

Sanders, who has also written a couple of other good mysteries (*The Anderson Tapes, The First Deadly Sin,* and *The Second Deadly Sin*), has structured this book as another who-done-it. It's well written, but I can't say it's entertaining. Rather, I'd describe it as being frighteningly significant. The reader is challenged to identify it all and tie it to today's happenings. For instance, a speech given by one of the "bad guys" defending the latest proposed attack on individual rights sounds very close to Senator Edward Kennedy defending gun control or proposing reforms of the criminal justice system.

If you still need a warning of what can happen to a society if the increased manipulation of people's psyches is not stopped, read *The Tomorrow File.* And if you still think that *The Tomorrow File* can't happen here, read the other two books.

In our march toward 1984, science fiction is well along the way to becoming science fact.

Ms. Baldridge, a public school and Montessori teacher, is currently researching a book on contemporary educational practices.

The April Game

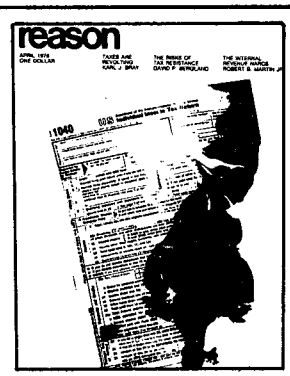
By Diogenes
Chicago: Playboy. 1973. 221 pp. $1.25 (paper)

Reviewed by Tim Condon

Things never seem to be what they purport to be these days. More and more the tired old cries of conspiracy—Kennedy, CIA, FBI, Trilateral Commission, Jimmy Carter—are turning out to be

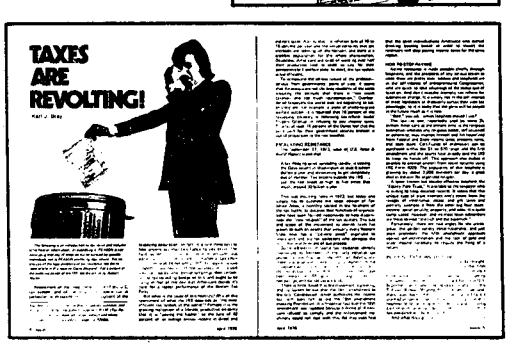
Have You Seen...

REASON'S special income tax issue?



APRIL 1976 $1.50

It features four important articles on the subject of taxes and the IRS. Tax protestor Karl Bray makes a stirring case for resisting the depredations of the tax collectors. Robert Bakhaus provides an assortment of methods for resisting government coercion of all types. Attorney David Bergland gives a valuable perspective on the risks involved in various forms of tax resistance and offers guidelines for *safely* minimizing the government's take. And attorney Robert Martin documents the extremes to which IRS agents will go—and the serious civil liberties issues at stake.



Please send me_____copies of the April 1976 issue of REASON. My check or money order for $_____is enclosed. (Payment must accompany order.)

Name_____
Address_____
City/State/Zip_____

Mail to:
Back Issue Dept.
REASON Magazine
Box 40105
Santa Barbara, CA 93103

true. There are wheels within wheels within wheels, we find. And the realization comes as a shock.

This was the uneasy feeling I had recently upon finishing *The April Game,* a book by an undisclosed author who chose to call himself Diogenes.

Basically, the book purports to be an inside look at the workings of the IRS (Diogenes is asserted to be a government auditor "with many years experience"), as well as a guide on how to circumvent the giant bureaucracy. It further hints that it reveals information the IRS would prefer to be kept secret—that's why the author supposedly "felt it politic to write this book under a pseudonym," according to the jacket blurb.

Ah, an exposure of some of those wheels within wheels. A glint of light, piercing to the innards of the IRS—that enemy of all citizens. Here was someone on *our* side, I thought.

But it was not to be. Upon reading the book, a strange realization began to dawn: the author is really not at all hostile to extreme government taxation or its attendant bureaucracy. Listen to this: "There has never been a government that could operate without money or its equivalent in goods and work....Taxation...is absolutely inevitable....The bigger and more complex a nation gets, the bigger each citizen's tax bite gets. There is no known way around this law."

Oh sure, he made his obeisances, casting off remarks like: "The IRS is too big and too powerful for its own good." It has "more...power over more people than any other government agency in the United States....We ought to build checks and balances into the system so as to reduce the power."

But then, often on the same pages, Diogenes approvingly writes things like: "In defense of my esteemed employer I must say that I don't believe the power is abused often....Although the Internal Revenue Service is probably the world's most powerful police agency, the fact is that it often shrinks from using its power aggressively. It makes full use of its virtually unrestricted license to spy on people. But when it catches them doing wrong it often treats them with a gentleness that has amazed many."

Well, it may have "amazed many," but this line is palpably untrue. The IRS has, financially, totally broken people and hounded them to their death. It continues to do so today. Any number of "target" individuals can testify to that.

In addition, the suggestions as to how to cope with an IRS audit are dangerously incorrect: the advice given will generally help to streamline an IRS investigation into your finances.

"What *is* it with this guy?" I found myself asking. There are just too many contradictions: The IRS is too powerful, but it never uses that power, being basically "a softhearted Gestapo." The tax laws are too complex, but in a nation like ours we *need* complex tax laws. Lots and lots of taxpayers get away with "cheating," but the IRS is so all-powerful that anyone who crosses it can expect to be caught, sooner or later.

Then he goes on to talk about tax evasion, about how "this whole mad system of taxation by self-assessment" and "voluntary compliance" is unfair, because people are encouraged to "cheat." "Why not?" he seems to say: "Nearly all American taxpayers cheat, at least to a minor extent. I don't like the idea of cheating, and in fact it is my job to catch cheats. At the same time, I am compelled to recognize that the system of taxation by confessions encourages cheating, and until a fairer and more sensible revenue-raising idea is invented, I cannot find it in my heart to blame a middle-income taxpayer whose desperate struggle for survival leads him to break the rules."

Wow! It actually sounds like this functionary of the most dangerous and powerful bureaucracy in the country is sanctioning "cheating"! I couldn't believe my eyes.

And then—*flash!*—it all came together. *Atlas Shrugged,* Dr. Ferris talking to Hank Rearden:

> "Did you really think that we want those laws to be observed?" said Dr. Ferris. "We *want* them broken... There's no way to rule innocent men. The only power any government has is the power to crack down on criminals. Well, when there aren't enough criminals, one *makes* them. One declares so many things to be a crime that it becomes impossible for men to live without breaking laws. Who wants a nation of law-abiding citizens? What's there in that for anyone? But just pass the kind of laws that can neither be observed nor enforced nor objectively interpreted—and you create a nation of law-breakers—and then you cash in on guilt."

I think that, at the very least, the IRS knew of "Diogenes" and sanctioned—possibly even commissioned—this book. After all, the author tells us he used a pen name to hide from his dangerous employers, then goes on to explain that the tax returns of IRS auditors such as himself are scrutinized, each year, with special care. And he wants us to believe the all-powerful IRS couldn't track down those extra royalties and find him out? Come now...

The *Playboy* business/publishing empire has had problems with the government in the past. They have been on at least one "enemies" list, and from all reports, the IRS did set out in the early seventies to "get" them. It's interesting to speculate on another conspiracy: that this book—published by Playboy Press—might be part of a deal made to save the *Playboy* people from further harassment and investigation. The timing is about right, and the IRS would certainly want such a book to gain a veneer of respectability—a look of being on "our side"—while giving the IRS the human face it so craves.

You might want to read the book (don't buy it) as an outline of the history, methods, and powers of the IRS from an "inside" perspective.

But don't take it seriously. It is an attempt to inspire guilt, along with some measure of fear. And as far as the IRS is concerned, it's just what the doctor ordered.

Tim Condon has a B.S. in journalism and a J.D. from the University of Florida. He is coauthor of the 1978 Income Tax Guide.

Coming Next Month:

Next month, May 1978, marks REASON's 10th anniversary. (Vol. 1, No. 1 appeared in May 1968.) In honor of this occasion, the May issue will be a gala special issue, looking back over 10 years of growth—in REASON and the libertarian movement. This all-star issue will include articles and commentary by Nathaniel Branden, Edith Efron, Milton Friedman, Karl Hess, John Hospers, Robert LeFevre, Roger MacBride, and Robert Nozick—people who have put individualism and liberty back into the intellectual marketplace during the past decade. The May issue will also feature a history of the libertarian movement by David F. Nolan (founder of the Libertarian Party), a history of REASON by editor Robert Poole, Jr., a panel discussion on the achievements of and prospects for the libertarian movement (featuring Roy Childs, Joe Cobb, Ed Crane, Don Ernsberger, Mark Frazier, Manuel Klausner, Charles Koch, Dave Nolan, Robert Poole, and Dave Walter), and a photo story on REASON's 10th Anniversary Banquet. This issue is sure to become a collector's item—don't miss it!

frontlines

Tax Limitation

The success last December of the petition drive in Massachusetts for a tax limitation referendum should inspire libertarian activists in other states. With slightly over 10,000 signatures at the beginning of October, the Citizens for Limited Taxation filed 86,771 certified signatures on December 7. Only 55,644 certified signatures were required, but the extra margin is important when one considers the difference between a signature and a "certified signature." In states, like Massachusetts, which require verification of name and address and signature, unfriendly government clerks can foil a petition drive by scratching out enough names. Massachusetts is a particularly difficult state to petition in.

It is also the second most heavily taxed state in the country. Only two states, Mississippi and Vermont, have a smaller per capita income after taxes, and only New York has higher state and local taxes. Considering the general bias in favor of government in Massachusetts, the only state to go for McGovern in 1972, the debate over tax limitation will prove very fruitful between now and 1980. The referendum must next receive an affirmative vote by 25 percent of the legislature in the next two sessions before a popular vote will be allowed. The extended period for public discussion and debate should help the cause, since previous attempts in California, Michigan, Colorado and Florida to limit the government failed due to propaganda and distortions at the last minute by opponents.

The *Citizens for Limited Taxation*, 73 Tremont Street, Boston, MA 02108, did a number of things right. Libertarians who believe something can be accomplished via the political process might take CLT as a case study. The Director of the organization is Edward F. King, a prospective candidate for the Republican gubernatorial nomination in 1979. The person whom insiders agree is primarily responsible for CLT's organizational success, however, is Donald Feder. Feder is active in the Massachusetts Libertarian Party and was the founder of the Association of Libertarian Lawyers a few years ago. The decision to place King at the head of the organization guaranteed a degree of credibility in the news media and state legislature which could not have been obtained if Feder had been nominal chief. Ed King was instrumental in the 1972 and 1976 defeat of a proposal to change the Massachusetts income tax from a flat rate to a graduated tax.

Like many states, Massachusetts has many local citizen groups which rise up to fight school bond issues, property tax hikes, and other local issues. The CLT set about to bring these local groups into a federation which would collect the necessary signatures, and form the decentralized nuclei of lobbying to assure the 25 percent legislative vote later this year and next. The major tax increases in the past few years have been in the local property taxes, not the statewide taxes. The successful linking of the local tax issue and the state tax limitation drive was an important achievement, especially considering that the previous campaigns in California and Michigan foundered on the argument that a limit to statewide taxes would put the full burden of "necessary" public sector growth on the local property tax. In those states the last-minute politicking by the public school teachers unions actually persuaded a majority of the voters that the tax limitation amendments would cause an *increase* in the tax burden. Voters interviewed following the elections who voted against the amendments said that they believed they were voting for lower taxes.

EXPANDING ACTIVITY

The petition campaign is only the first step in an overall strategy. Several CLT activists are planning to run for office on the tax issue. One man, John Doherty of Watertown, was elected to a local government body on the strength of a door-to-door campaign which stressed his CLT activism, and emphasized the theory that tax limitation is the starting point for economic growth. Another supporter, Anthony Conte of Revere, received 39 percent of the vote in a three-way race for State Senate in a district registered 8 to 1 Democratic. Because the number of state legislative districts is being reduced in Massachusetts next year, the situation is very fluid and many incumbents are in jeopardy because of new district boundaries.

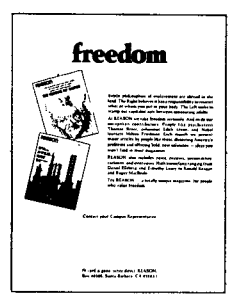
The list of State Senators and State Representatives who have joined the endorsers of CLT is impressive and increasing. Boston City Council President Joseph Tierney was a petition circulator, as were a number of state legislators. The willingness of professional politicians to expose themselves on the issue is a measure of its strength. Interestingly enough, the business establishment does not support the amendment idea. The Massachusetts Taxpayers Foundation, the "respectable" respresentative of the taxpayer, is lukewarm. One might almost suspect a perverse undercurrent in the Bay State. The real battle is yet to come, of course. Massachusetts is one of the unfortunate states with public employee unions and collective bargaining. The tax limitation amendment, if adopted, would put the entire process under a new set of competitive rules: instead of the organized, concentrated interests ganging up on the taxpayers at large, they would have to fight among themselves for a fixed share of the pie. That's the whole idea, naturally.

Libertarians often seem to have an ideological problem relating to an issue, such as tax limitation, which starts with the premise that the government and the power to tax are here to stay. In Massachusetts, however, many libertarians contributed to the success of the petition drive. The skill of putting together a coalition movement around single issues is one which libertarians need to develop.

Joe Cobb

STUDENTS!

Is REASON available on your campus?

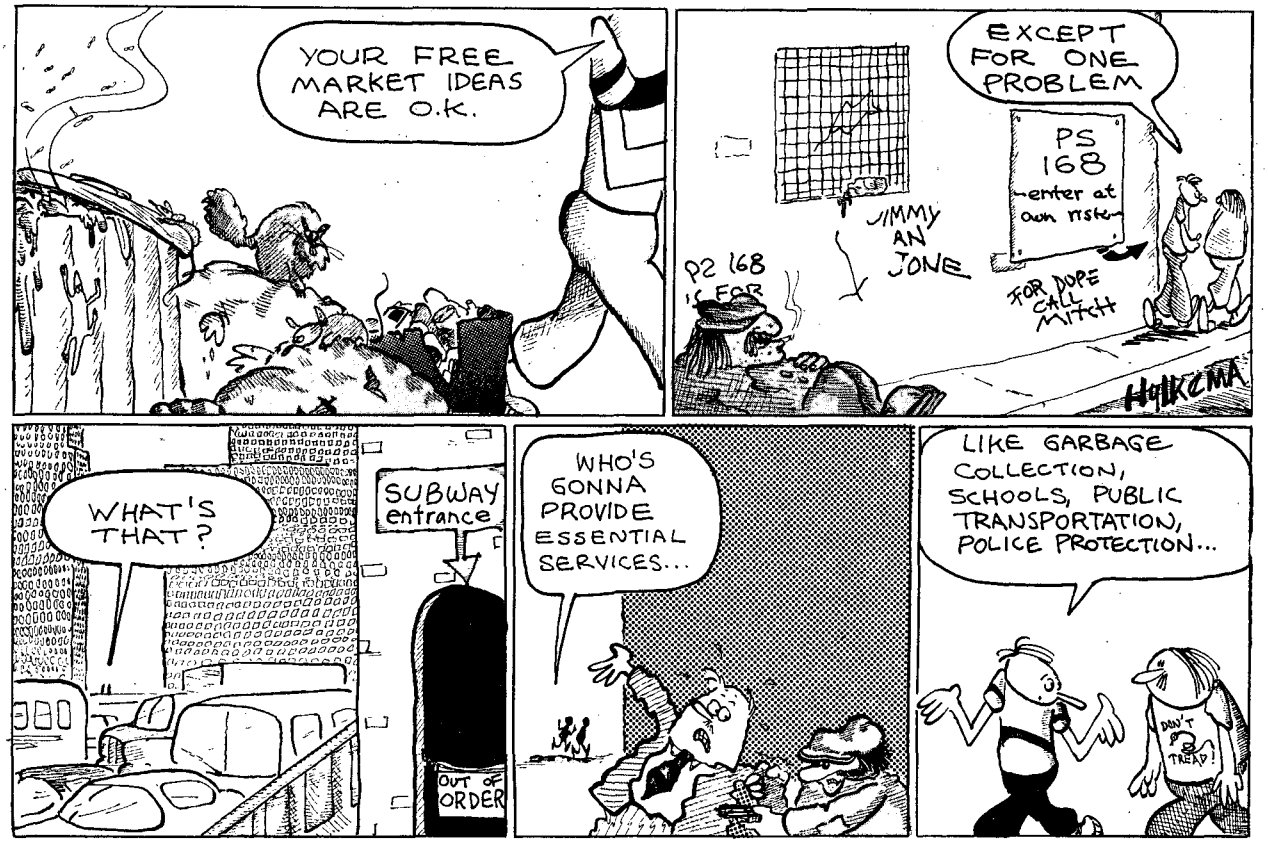


If not, you can become a campus representative. Spread libertarianism and earn sales commissions at the same time. We can set you up: posters, order forms, and sample copies. Write for our Campus Rep Kit and get started today!

Campus Reps
REASON Magazine
Box 40105
Santa Barbara, CA 93103

rudebarbs

by Randall K. Hylkema



viewpoint

(Continued from p. 38.)

subject to whimsical political and administrative manipulations. The increased risk, due to the ups and downs of energy price controls, means that profits will have to be higher than otherwise in order to justify any given amount of investment.

Moreover, the case for price decontrol does not rest on the merit of faster pumping from existing known reserves, but also on development of *new* reserves and, most importantly, on the efficient use of whatever supplies are available. Vast areas of the United States remain virtually unexplored—the Appalachians, the Rocky Mountains, the Great Lakes, and most of the offshore area. And an unhindered price would convey the correct information about scarcity relative to demand. The price system, if allowed to function, would effectively allocate energy supplies to the uses consumers value most highly—whether that is production of gasoline, diesel fuel, or plastic bags. New England, for example, whose homes and factories are heavily dependent on costly imported oil, would be able to bid natural gas away from less-productive uses in other areas of the country. The only alternative to such rationing by price is to substitute arbitrary administrative decisions about who shall get favored access to cheap energy for what purposes.

It is true that the uncontrolled price of fuel reflects the supply restrictions of the OPEC cartel, but it is *not* true that the resulting price is not a market price—that is, a price that brings supply and demand into balance. It makes no sense for the United States to pay a higher price for imported oil and gas than it is willing to pay for domestic supplies. It makes no sense to misuse domestic energy supplies at artificially low prices when it will obviously cost much more to replace those supplies from either domestic or foreign sources.

Our problem with OPEC is that the cartel has made energy scarce and costly, requiring us to give up more goods and services in exchange for each barrel of oil. We will not solve that problem by simply making energy even more scarce and costly, which is like imposing an embargo on ourselves. Instead, the nation must move toward developing all energy sources which can be produced as cheaply as imported energy, while also promoting efficient use of energy supplies. The price system is capable of fulfilling these objectives; discriminatory taxes and allocations are not ◧

movies

(Continued from p. 43.)

Psychological realism is given first consideration.

When it takes two years of therapy (as in this case) for the patient even to feel physical pain, the amount of mental anguish involved, as the "forbidden material" is brought to the surface, is simply incomprehensible to most persons. Even the film gives no real idea of it: though one knows that there are many steps in the "working through" process which are missing in the film, the recovery when it occurs is somewhat too quick and pat to be believable. Nevertheless, allowing for cinematic license, it is a credible and persuasive case history.

Viewers should not see the film to be amused. It is in many places harrowing to watch, and does not contain a steady beat of humor to lighten the suffering as was done in *Cuckoo's Nest.* Here it is conditions, not concrete individuals, that we hate. The pulse does not beat faster in mounting tension; but one does imaginatively identify with the central character, and the result will seem inspiring to some, depressing to others, and perhaps merely informative to the remainder.

—J.H.

Confirm Your Worst Suspicions About LIBERAL MEDIA BIAS

Try *Human Events* at a *SPECIAL RATE*—20 Weeks—$6

If you are a person who has not been deceived by the mind-massage that passes for "objective" reporting in the liberal media, you probably share with us this understanding:

Liberals are no more capable of objectively reporting the news than they have been in running America for the past 40 years.

That being the case, it is important for you to know about HUMAN EVENTS, the Capitol Hill newsweekly written *by* and *for* conservatives. For over 32 years, HUMAN EVENTS has been fearless in confronting the issues ignored—or twisted—by the media.

We want to give you a taste of the tone and style of HUMAN EVENTS. The best way is simply to list some of the bylines from recent issues:

A WHO'S WHO OF AMERICAN CONSERVATIVES

Holmes Alexander
Rep. John Ashbrook
Rep. Robert Bauman
Prof. Anthony Bouscaren
Sen. James L. Buckley
Sen. Harry Byrd
John Chamberlain
Rep. Phil Crane
Ralph de Toledano
M. Stanton Evans
Sen. Barry Goldwater
Jeffrey Hart
Paul Harvey
Henry Hazlitt
Sen. Jesse Helms
Jenkin Lloyd Jones
James J. Kilpatrick
John D. Lofton
Phillip Abbott Luce
Clark Mollenhoff
Kevin P. Phillips
Prof. Stefan T. Possony
Dr. Max Rafferty
Leonard E. Read
Gov. Ronald Reagan
Victor Riesel
Prof. Murray N. Rothbard
Rep. John Rousselot
Morrie Ryskind
Jeffrey St. John
Prof. Hans Sennholz
Phyllis Schlafly
Henry J. Taylor
Sen. Strom Thurmond
Sen. John Tower

And here are just a few of their headline articles:

THE TRUTH BEHIND THE ENERGY CRISIS
HOW SOVIETS HAVE VIOLATED HELSINKI ACCORDS
THE FOOD STAMP RACKET
A NEW VOICE FOR FREE ENTERPRISE
HYPOCRISY AT THE UNITED NATIONS
NEW DRIVE FOR ANTI-BUSING AMENDMENT
EVIDENCE CONFIRMS RED CHINA DOPE TRAFFIC
RELIGIOUS PERSECUTION CONTINUES IN U.S.S.R.
REVOLUTIONARIES' SECRET BOMB FACTORIES
THE STATE OF CONSERVATISM
GUN CONTROL NOT THE ANSWER
THE ZEALOTS BEHIND THE AMNESTY CAMPAIGN
UNION TERRORISM RAGES THROUGH NATION
DEATH PENALTY ISSUE IS STILL ALIVE
FREE ENTERPRISE CHALLENGES U.S. MAILS
TEDDY KENNEDY'S DOUBLE STANDARD
HOW WORLD COUNCIL OF CHURCHES BACKS TERRORISM

This list could go on for pages. HUMAN EVENTS corrects the facts and unscrambles the interpretations offered up by the liberal media. HUMAN EVENTS gives you facts and insights that make people hang on your words—in *any* gathering.

NO OTHER PUBLICATION DUPLICATES OUR COVERAGE

Dozens of magazines, newspapers and newsletters (some costing over $100 per year) duplicate *some* of HUMAN EVENTS' coverage. But none of them alone, nor all of them together, duplicate the hard-hitting behind-the-scenes information that HUMAN EVENTS delivers *every* week.

You see, HUMAN EVENTS has been here for 32 years—right in the shadow of our nation's Capitol. We've built top-level sources of confidential information, both inside and outside of government . . . at the top of both political parties . . . in state capitals and corporate boardrooms.

Our sources on the White House staff and in the Executive branch enable us often to "scoop" the nation's press. For example we were first in reporting on certain perils in the Strategic Arms Limitations (SALT) agreements . . . and the first publication to expose the massive defects in the Nixon Administration's guaranteed annual income scheme which was defeated because of those flaws.

IMPORTANT TIME-SAVING BONUS!

HUMAN EVENTS digests the most important articles and news stories from over 200 newspapers and magazines. Our editors monitor these periodicals and condense the most important information for you.

Cover-to-cover reading time for HUMAN EVENTS is only about 30 minutes, but you will be kept better informed than some persons who spend hundreds of dollars a year, and dozens of hours a week, wading through stacks of books and periodicals!

Other regular features: *reviews* of the important books . . . *interviews* with headline personalities . . . *roll call votes* to show you how your senators and congressmen are behaving . . . *studies in depth* on the issues people are talking about.

CONSERVATIVES FIND HUMAN EVENTS INDISPENSABLE

Here is what just a few of them say:

"HUMAN EVENTS carries a commentary on the Washington scene and behind-the-scene to be found nowhere else . . . this senator is deeply grateful."

Sen. James Buckley

"I can only think of how proud my old friend Frank Hanighen, would be if he were alive today and able to see the excellence which his publication has achieved."

Sen. Barry Goldwater

"Your efforts over the past 30 years have contributed to a better-informed public on critical issues and events.

"Not a week went by during my campaign that I didn't make time to read HUMAN EVENTS from cover-to-cover."

Gov. Ronald Reagan

"I have found this publication to be highly informative and 'must' reading for any conservative who wants to stay abreast of the Capitol Hill political scene."

Rep. John Ashbrook

LIBERALS, TOO, READ HUMAN EVENTS

Liberal magazines with editorial budgets much bigger than ours, nonetheless pore through HUMAN EVENTS every week for facts which we learn from our exclusive sources. Again and again, stories first appearing in HUMAN EVENTS appear a week or two later in the mass media. Here is what Liberals have written about us:

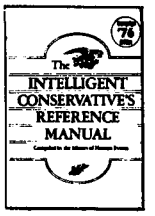
"HUMAN EVENTS is a relentlessly conservative journal that sells fewer than 100,000 copies weekly and is little known outside Washington, D.C. But in a city where conservative opinion is hard to come by, the tough little tabloid enjoys an impact all out of proportion to its circulation . . . ."

Newsweek

"The most influential of the (Washington conservative) group is the weekly newspaper, HUMAN EVENTS . . . . The paper, established in 1944 is . . . well produced and edited . . . it looks at the political news of the week with a rightward myopia, but with an emotional restraint not found in many publications that share its viewpoint . . . ."

Cabell Phillips in the New York *Times*

Take "The Intelligent Conservative's Reference Manual" and Save 46%



Let us send you a FREE and postpaid copy of *The Intelligent Conservative's Reference Manual* (compiled by the editors of HUMAN EVENTS) along with your one-year subscription to HUMAN EVENTS at the regular subscription rate. (This bargain is yours when you enclose your check to save us the cost of billing.)

This is one of the most spectacular values we have ever been able to offer to new subscribers:

52 issues of HUMAN EVENTS at single copy newsstand rate	$26.00
Retail price of *The Intelligent Conservative's Reference Manual*	$1.95
Total value	$27.95
You pay only	$15.00
YOU SAVE 46%	$12.95

The order form also offers a special trial rate:

20 weekly issues for $6—a savings of 40% over the single copy, newsstand price.

Unconditional, Risk-Free Guarantee

If you ever decide to cancel your subscription for any reason, we will send you an immediate refund for the unused portion. No questions asked!

318A

Human Events

422 FIRST STREET, S.E. • WASHINGTON, D.C. 20003

OUR BEST OFFER
For New Subscribers Only

☐ Enter my subscription for 52 issues at only $15 (a savings of $11 over the single issue newsstand price).

☐ My payment is enclosed, therefore please also send my FREE and postpaid copy of *The Intelligent Conservative's Reference Manual* as described above.

☐ Bill me.

TRIAL OFFER

☐ Enter my subscription for 20 issues at $6 (a savings of 40% over the single copy newsstand price). Payment enclosed. (Thank you! We'll add an extra three issues for saving us the cost of billing.)

☐ Bill me later.

NAME (Please print)

ADDRESS

CITY STATE ZIP

Does your Gold earn interest?

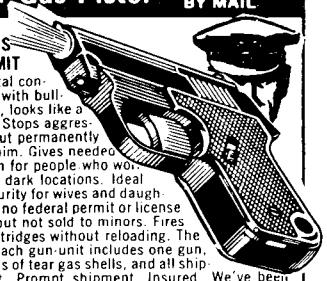
Our current gold accounts (which are equivalent to checking accounts) pay 1.2% per year and our gold notes, if available, pay 4% per year.

What's more, our current accounts—dollar or gold—can provide absolute privacy, with cost and facility of use comparable to commercial bank accounts.

Send two U.S. first-class stamps for details.

Anthony Hargis & Co.
490 E. Walnut #6
Pasadena, CA 91101

World Famed BREVETTATA Tear Gas Pistol SOLD DIRECT BY MAIL



REQUIRES NO PERMIT

Solid metal construction with bulldog grips, looks like a real gun. Stops aggressor without permanently injuring him. Gives needed protection for people who work in lonely, dark locations. Ideal night security for wives and daughters. Still no federal permit or license needed, but not sold to minors. Fires seven cartridges without reloading. The price of each gun-unit includes one gun, ten rounds of tear gas shells, and all shipping cost. Prompt shipment. Insured. We've been selling tear gas equipment for the past fourteen years. Thousands of satisfied customers.

- ☐ 1 Gun-Unit $17.00
- ☐ 2 Gun-Units @ $15 ea. .....(total $30)
- ☐ 3 Gun-Units @ $14.50 ea. ..(total $43.50)
- ☐ 4 Gun-Units @ $14 ea. .....(total $56)
- ☐ 6 Gun-Units @ $13 ea. .....(total $78)
- ☐ Extra tear gas shells .....$3 for ten
- ☐ Blanks for practice .....$2.50 per 100
- ☐ Holsters .....$2.50 ea.
- ☐ Tear Gas Antidote, Bottle $2.88

NAME ... CITY

ADDRESS ... STATE ... ZIP

Enclosed is ☐ Check for $... ☐ Money Order for $...

or charge my ☐ Master Charge ☐ BankAmericard

Card Number ...

Exp. Date ... 1975 Brevettata

Signature ...

ORDER BY MAIL from BREVETTATA, Dept. LL, 310 W. 9th St. Kansas City, Mo. 64105

SMOKERS TOOTHPOWDER

removes tobacco film

This activated British toothpowder is a strong power against the most stubborn and ugly tobacco stains, while gently refreshing your mouth. Regimental formula, used by Winston Churchill, $2.50 a tin and worth 3 times the price.

LINK LABORATORIES, Dept. R,
Box 7243 - Kansas City, MO 64113

classifieds

ANNOUNCEMENTS

DR. NATHANIEL BRANDEN offers his forty-hour Intensive on SELF-ESTEEM AND THE ART OF BEING in an increasing number of cities throughout North America. For information, contact the Biocentric Institute, 9255 Sunset Blvd., Los Angeles, CA 90069. (213) 274-6361.

BOOKS

THE INCOME TAX IS OBSOLETE. Arlington House. Hardcover 298 pp. $4.95. Best critique of our inquisitorial tax system. Order from Liberty Books, Dept. RN, D. Philip & Co., 13006 Philadelphia St., Whittier, CA 90601.

COUNTERFEITING information. Photocopy and off-set. "Blue Book of Counterfeiting." Illustrated. $2.95. RJM, Box 1051, Winters, CA 95694.

EMPLOYMENT

BUSINESS MANAGER wanted for southern California based magazine. Have you worked with typesetters, printers, mailing houses? Can you design ads, coordinate direct mail operations, sell ad space? Prepare budgets, keep books, manage cash flow? Then you may be just the person this growing magazine is looking for. Send resume, references, and salary requirements to Box 6W, REASON.

PERSONALS

WANTED: INDIVIDUALS. Two libertarian-objectivist oriented men looking for additional person(s) interested in the formation of a monastery. The adherents would pursue their 'way of life' in accord with the precepts of Agorism, without compromise or submission to State interference. Write: Hyll Farm, Stevenson, MD 21153.

EXODUS—A Harry D. Schultz monthly is about "WORLD CITIZENSHIP," a gypsy/nomadic lifestyle, if you will, on a professional level. Similar to "Money" article in December, 1977 REASON regarding multinationalizing yourself/assets. Want to share costs? I have sample copies. Regardless, I would like to correspond with those of similar interest. Contact: David Hock, P.O. Box 1310, Spokane, WA 99210.

WHITE BACHELOR, 40, seeks close encounters of the erotic kind with woman who suspects her ancestral "roots" are on a planet other than earth. Ted Holton, 326 W. 43rd Street, New York 10036.

DEATH IS the ultimate loss of freedom. But you can apply life extension technology NOW. Our annotated life extension bibligraphy is derived entirely from primary scientific literature; *not* faddist. Send $1.00: moneyback guarantee. Dawn—RS Enterprises, Box 90913, Los Angeles, CA 90009.

FLORIDA LIBERTARIANS. Others. Let's win this year. 20 cartoons. 11x17 inches. 5 each. Pot, prostitution, jails, and casino gambling. Send $2 to Witke, Box 331, Oklawaha, FL 32679.

FLATULENT? (Frequently?) Flaunt it and fear not!! Read Benjamin Franklin's long-suppressed essay of 1780 on farting. Hilarious! Frameable. $3, "Essay," Box 69A, Carrboro, NC 27510.

PRODUCTS

BE A SURVIVOR... Be prepared for disasters, strikes and shortages with long-storing, high-quality, dehydrated foods. We are Chicago-land area distributors for Ready Reserve Foods. For more information, write to R & F Miller, P.O. Box 253, W. Chicago, IL 60185, or call (312) 837-2967.

LIBERTARIAN BUTTONS, posters and palm-size stickers. DON'T ROB: IT'S A CRIME TO COMPETE WITH THE GOVERNMENT; MORE GOVERNMENT IS THE CAUSE, NOT THE SOLUTION; WARNING: THE STATE MAY BE HAZARDOUS TO YOUR HEALTH. Buttons—60¢, stickers—10¢ each. Also, LeFevre's new booklet—GOOD GOVERNMENT: HOPE OR ILLUSION? ($1.95). Free Catalog. SLL, Box 4, Fullerton, CA 92632.

SYNTHETIC LUBRICANTS, Best values. 25,000 mile motor oil, gear oil, chassis grease, carburetor cleaner, more. Free enterprise dealer opportunities. Anderson Engineering, Epsom, NH 03234.

PUBLICATIONS

Read **LIVE AND LET LIVE** for your spiritual stimulation. Free samples. Church of Eternal Life & Liberty, Box 622, Southfield, MI 48037.

The **IDEOLOGICAL WARFARE** Letter: the theory and practice of social, political and economic change. $12/year, monthly. T.E. Caldwell, 405 Del Mar, Corpus Christi, TX 78404. Write for free index and up to date information.

DAILY commentaries of current events from an Oregon libertarian radio news analyst. Compiled twice monthly. Now only $12 per year. ERNIE ROSS REPORT, 565 West Harlow #52, Springfield, OR 97477.

SERVICES

RELAX IN NORTHERN ARIZONA!!! Wetherill Inn, a modern air conditioned motel, offers color TV, combination tub/shower. Comfortable accommodations right at the gateway to breathtaking Monument Valley in the heart of the Navajo Reservation. A photographer's dream in rugged Navajo Land. For reservations, write or phone—WETHERILL INN MOTEL, P.O. Box 175, Kayenta, AZ 86033—602 697-3231...on highways 160 and 163.

RATES: 25 cents per word, $5.00 minimum. For REASON box number instead of personal address, add 50 cents per insertion. Forwarding postage paid by advertiser. *All orders must be accompanied by payment,* and copy should reach us by the first day of the second month preceding the month of issue (e.g., advertising for the March issue, which is mailed in early February, should reach us by Jan. 1.)

THE CLASSIFIED AD DEADLINE FOR THE JUNE ISSUE IS APRIL 1, 1978.

HELP STARVE A FEEDING BUREAUCRAT.

Center for the Defense of Free Enterprise

Each year, you pay about 45% of your income to local, state and federal government in taxes. Every dollar you earn from January through June goes to feed the bureaucrats.

And what do you get? More taxes and more regulations. Stifling regulations and taxes that drive prices up.

And government regulations often make more people poor. The minimum wage, for example, puts young people and minorities out of work. After all, would you rather be employed at $2.25 an hour, or unemployed at $2.65 an hour?

We're concerned about these problems and many others. We believe that less government, not more, is the answer. Free people working together freely can accomplish more than millions of federal bureaucrats telling you what to do with your life.

The free enterprise system built the prosperity we have today. The government bureaucrats didn't achieve this prosperity. People in a free marketplace did.

We believe that America must return to the free enterprise system now. We're the Center for the Defense of Free Enterprise and we're working to lower taxes, eliminate unnecessary government regulations and undertake programs to educate people on the free enterprise system.

If you've ever complained about high taxes, high prices or annoying bureaucrats, but didn't know what to do, just write us. Together we can work to restore the free enterprise system.

Join our drive to cut the bloat out of government. And help starve a feeding bureaucrat.

I'm tired of the bureaucrats and their regulations. I'm tired of high taxes and I want to help starve a feeding bureaucrat.

☐ **Please send me more information on how I can help.**

☐ **It's about time. Enclosed is my tax deductible contribution to help starve a feeding bureaucrat. $_____**

Name _____

Address _____

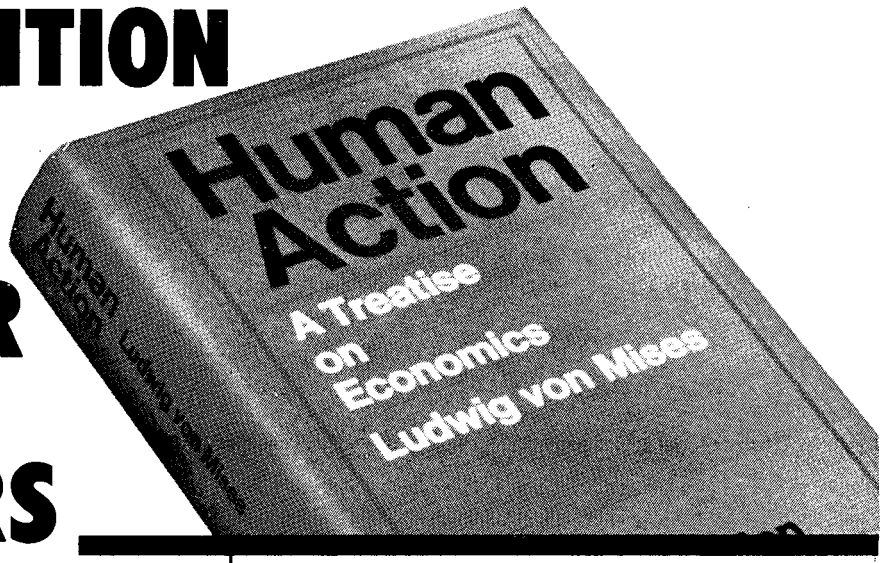
City _____

State _____ **Zip** _____

Occupation/School _____

Center for the Defense of Free Enterprise
1601 114th S.E., Suite 178
Bellevue, WA 98004
(206) 455-5038

THIRD EDITION OF THIS CLASSIC SELLS FOR $20.00 IT'S YOURS FREE



"It rests with men whether they will make the proper use of the rich treasure with which this knowledge [of economics] provides them or whether they will leave it unused. But if they fail to take the best advantage of it and disregard its teachings and warnings, they will not annul economics; they will stamp out society and the human race." — Ludwig von Mises

WITH MEMBERSHIP IN THE CONSERVATIVE BOOK CLUB AND YOUR AGREEMENT TO BUY ONLY 4 BOOKS OVER THE NEXT 18 MONTHS

HUMAN ACTION is fascinating. The author, Ludwig von Mises, dean of free-market economists, is a cool logician, our greatest economic scholar, a passionate lover of freedom – and an equally passionate enemy of those who would take freedom away from us.

The book has nothing but scorn for the phony "compassion" of the Marxians and Keynesians – and Mises clearly shows how their theories actually **spread suffering among the poor!** One by one, he sweeps away the glib fallacies of Liberalism and socialism. For instance, how many of these fallacies can you effectively rebut?

- ★ Free-market economics was all right for the 19th century but it is useless in today's complex economy.
- ★ Capitalism was built on the broken bodies of exploited workers.
- ★ Businessmen have ravaged our natural resources in their lust for profit.
- ★ Unemployment is caused by lack of "effective demand".
- ★ Unions have won rich benefits for their members.
- ★ Advertising is a device for defrauding the consumer and represents a net economic loss.
- ★ Minimum-wage laws help the poor.

Mises answers these questions and hundreds more. He offers us a mountain of fresh insights, always in a crisp style, free from clumping pedantry. Among his major contributions: 1. A remarkable analysis of inflation. How it starts. The evils it brews. 2. Causes of the business cycle. 3. Effects of state intervention in the economy. 4. Irrefutable demonstration that free banking leads to hard money.

Human Action certainly is not a book you will read over a weekend. It is a classic of economic thought – meant to be the companion of a lifetime.

- ✓ massive—924 pages
- ✓ entirely reset
- ✓ revised by the author
- ✓ detailed 20-page index

SAVE $20.00

"An arsenal of fact and logic." — *Chicago Daily News*

"*Human Action* . . . should become the leading text of everyone who believes in freedom, in individualism, and in a free-market economy." — *Henry Hazlitt*

"Dr. von Mises has made a tremendous contribution to economic thinking in a world that thinks only of economics." — *Vermont Royster*

"I think that *Human Action* is unquestionably the most powerful product of the human mind in our time, and I believe it will change human life for the better during the coming centuries as profoundly as Marxism has changed all our lives for the worse in this century." — *Rose Wilder Lane*

". . . offers a combination of great scholarship and the rare ability to make an abstruse economic subject interesting." —*Lawrence Fertig*

"The finest economic treatise of this generation." — *Raymond Moley*

"Perhaps the most important economic treatise of our time." — *Wall Street Journal*

CONSERVATIVE BOOK CLUB

165 Huguenot St., New Rochelle, New York 10801

Please send a FREE copy of the $20.00 Third Edition of Ludwig von Mises' **Human Action** and accept my membership in the Conservative Book Club—the only book club expressly for political conservatives. I agree to buy 4 books from among more than 150 to be offered in the next 18 months, after which I am free to resign at any time. I will be offered books on politics, investing, social issues, religion, conservative ideas, Communism, history, etc. Membership entitles me to a free subscription to the Club Bulletin, which brims with news of interest to conservatives. I am eligible to buy Club books at discounts of 20% to 50% plus shipping. If I want the monthly Selection I do nothing; it will come automatically about one month later. If I don't want the Selection, or I prefer one of the Alternates, I merely inform you on the handy form always provided. I'll be offered a new Selection every 24 days—15 times a year. If due to late mail delivery I get a Selection without having had 10 days to decide if I want it, I may return it at Club expense.

RE-244

NAME _____

ADDRESS _____

CITY/STATE _____ ZIP _____